CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

The effects of taxes and benefits on household income, 1976

Recent trends in sales of land and buildings

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Release dates of economic statistics to be published in March 1978

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in March. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
March 1978			
Thurs 2	UK official reserves (February)	PN	HM Treasury
	Capital issues and redemptions (during the month of February)	PN	Bank of England
	Unemployment (January–final)	Gazette	D of Employment
	Employment in the production industries (December)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (December)	Gazette	D of Employment
	Stoppage of work due to industrial disputes (January)	Gazette	D of Employment
Fri 3	Public sector borrowing requirement and details of local authority borrowing (4th qtr)	PN	CSO
Mon 6	Wholesale prices index numbers (February–provisional)	PN	D of Industry
	Housing starts and completions (January)	PN	D of the Environment
	Hire purchase and other instalment credit business (January)	PN	D of Trade
Mon 6	Retail sales (January–final)	PN	D of Trade
Tues 7	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-February)	PN	Bank of England
	London clearing banks' monthly statement (mid-February)	PN	CLCB
Wed 8	United Kingdom balance of payments (4th qtr)	PN	CSO
	Construction – output (4th qtr)	PN	D of the Environment
Thurs 9	Central government financial transactions (including borrowing requirement) (February)	PN	HM Treasury
	Provisional figures of vehicle production (February)	PN	D of Industry
	Survey of short-term export prospects (to 3rd qtr, 1978)	PN	D of Trade
Fri 10	Usable steel production (February)	PN	BSC/BISPA
	Company liquidity survey (4th qtr)	T and I	D of Industry
	Building societies' receipts and loans (February)	PN	BSA
Mon 13	Retail sales (February-provisional)	PN	D of Trade
Tues 14	Balance of payments current account and overseas trade figures (February)	PN	D of Trade/CSO
Wed 15	Index of industrial production (January–provisional)	PN	CSO
	Basic rates of wages and normal weekly hours (February)	PN	D of Employment
	Monthly index of average earnings (January)	PN	D of Employment
Thurs 16	UK banking sector statistics (4th qtr)	Bulletin	Bank of England
	Financing of the central government borrowing requirement (4th qtr)	Bulletin	Bank of England
	Money stock (4th qtr)	Bulletin	Bank of England
	UK banks' assets and liabilities and the money stock (mid-February)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-February)	PN	Bank of England
	Cyclical indicators for the UK economy (February)	PN	CSO
Fri 17	Retail prices index (February)	PN	D of Employment
Sun 19	Department for National Savings' monthly progress report (February)	PN	D for National Savings
Mon 20	National Food Survey report on consumption (4th qtr)	PN	MAFF
	Construction – new orders (January)	PN	D of the Environment
	Gross domestic product (4th qtr – provisional)	PN	CSO
Tues 21	Unemployment (March – provisional)	PN	D of Employment
	Unfilled vacancies (March – provisional)	PN	D of Employment
	Car and commercial vehicle production (February – final)	PN	D of Industry
Wed 22	Capital expenditure by the manufacturing, distributive and service industries (4th qtr–revised)	PN	D of Industry
	Manufacturers' and distributors' stocks (4th qtr–revised)	PN	D of Industry
	Bricks and cement production (February)	PN	D of the Environment
Thurs 23	Finished steel consumption and stock changes (4th qtr – final)	PN	D of Industry
	New vehicle registrations (February)	PN	D of Transport
	Sales and orders in the engineering industries (December)	T and I	D of Industry
Wed 29	Quarterly analysis of bank advances (mid-February)	PN	Bank of England
Thurs 30	Unemployment (February – final)	Gazette	D of Employment
	Employment in the production industries (January)	Gazette	D of Employment
	Overtime and short-time working in the manufacturing industries (January)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (February)	Gazette	D of Employment
	Energy Trends	PN	D of Energy

PN = *Press Notice* T and I = *Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

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Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

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Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of current economic events. It is important to note that data included in this section may not be wholly consistent with other series shown in the publication which have gone to press earlier.
- The main section shows the movement of the key economic indicators over about the last 5 years. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base date for convenience of comparison.
- A further chart shows the movements of 4 composite indices over 19 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on national accounts appear in the January, April, July and October issues and on balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other government publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on tables

1. This issue contains information available to the CSO on 16 February in respect of the main tables and charts. The 'Latest developments' section may contain later information.

2. Statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 68
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

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Latest developments in the economy[1]

Data available at 22 February 1978

Output

The preliminary estimate of gross domestic product (based on output data) for the fourth quarter indicates that output in all sectors was at much the same level as in the preceding quarter. The latest estimates for the index of industrial production up to December continue to suggest that the underlying level of industrial output changed little in recent months. The all-industries index for the fourth quarter was about 1 per cent less than the third quarter. Output of the consumer goods industries continued to rise slightly but output continued to fall in the capital and intermediate goods industries.

Steel production in January, although higher than in December, continued to be depressed and was 26 per cent less than in January last year. Car output rose slightly in January and in the three months ending January 1978 was 3 per cent higher than in the preceding three months.

According to the latest Industrial Trends Survey conducted by the Confederation of British Industry in January there has been little change recently in confidence about the general business situation. There has been a pronounced weakening in the lengths of order books and the survey reveals that firms are beginning to find that diminishing price competitiveness is affecting export prospects adversely.

Housebuilding

In the fourth quarter of 1977, housing starts in Great Britain were 3 per cent down on the third quarter but 9 per cent higher than a year earlier. Total completions were up 2 per cent on the previous quarter and 4 per cent higher than a year earlier. During 1977 as a whole, total starts were 266,200 compared with 325,600 in 1976. Total completions in 1977 were 302,200 compared with 315,200 in the previous year.

Consumers' expenditure

Latest estimates suggest that consumers' expenditure in the fourth quarter of 1977 was about $1\frac{1}{2}$ per cent higher than in the third quarter. A sharp rise in expenditure on food appears to have been the main cause of this increase. Provisional figures for January suggest that the volume of retail trade was only slightly less than the exceptionally high December level. In the three months ending January 1978, the volume of retail sales was $1\frac{1}{2}$ per cent higher than in the previous three months.

Investment intentions

The latest CBI survey indicates that manufacturing industry's investment intentions remain fairly strong. Against a background of some three-quarters of responding firms indicating that they have adequate capacity to meet expected demand, it is forecast that the volume of investment in 1978 could be some $12\frac{1}{2}$ per cent higher than in 1977. A continuing rise, perhaps at the same rate, is indicated for 1979.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Earnings and wage rates

Average earnings of employees in all industries and services in Great Britain are estimated to have risen by about 9·3 per cent between December 1976 and December 1977. This estimate is based on the new series of monthly index numbers of average earnings (not seasonally adjusted). The older series, which is seasonally adjusted, indicates an increase of 2 per cent compared with November.

The index of basic weekly wage rates (not seasonally adjusted) rose again during January and at the end of that month was 4·6 per cent higher than a year earlier. This index takes account of changes in nationally negotiated rates only; there have been no changes in such rates for engineering workers since February 1976.

Prices (not seasonally adjusted)

The index of retail prices for January (January 1974 = 100) was 189·5. This represents an increase of 0·6 per cent in December and of 9·9 per cent on January 1977.

Wholesale prices index numbers for January suggest that the prices of home sales of manufactured products increased by $1\frac{1}{4}$ per cent over the previous month. Some of this increase can be attributed to the annual bunching of price increases at the beginning of the year but it was the smallest January increase since 1973. The change in the index for all manufactured products measured over a twelve-month period fell sharply from $15\frac{1}{4}$ per cent in December to 13 per cent in January. The price index for materials and fuel purchased by manufacturing industry fell by $\frac{3}{4}$ per cent in January to a level $3\frac{1}{2}$ per cent lower than in January 1977. The continuing effect of the appreciation of sterling on import prices was the prime cause of this fall which was restricted to purchases by industries other than food, drink and tobacco manufacturing. Materials purchased by the food manufacturing industry rose by $2\frac{3}{4}$ per cent in price; in this category the only significant fall in prices was for cocoa beans.

Unemployment and vacancies

The number of unemployed in the United Kingdom (excluding school leavers) fell by 10,200 in February to 1,409,000 (5·9 per cent of all employees). The number of vacancies notified to employment offices rose by 6,700 in February to 187,000.

Trade and balance of payments

In the three months ended January 1978, there was a visible trade deficit of £324 million compared with a surplus of £275 in the previous three months. Between these two periods, there was a reduction of some £220 million in the surplus in the more erratic items of trade (especially precious stones) and an increase of £40 million in the deficit on trade in oil. These accounted for nearly half of overall worsening of £600 million in trade. Export volume fell by 6 per cent (or $4\frac{1}{2}$ per cent excluding the more erratic factors) and import volume rose by $3\frac{1}{2}$ per cent (or 3 per cent excluding the more erratic factors); the terms of trade index rose by 2 per cent.

The current account for January is estimated to have been in deficit by £179 million. The deficit on trade in goods was £324 million while the balance on invisibles is projected to have been running at a monthly surplus of around £145 million.

Money stock

During the five weeks to 18 January, the broader version of the money stock (sterling M_1) rose by $2\frac{1}{4}$ per cent. The cumulative increase since mid-April of about 11 per cent represents an annual rate of growth of $14\frac{3}{4}$ per cent. The narrower version of money stock (M_3) increased by 3 per cent during the latest period making a rise of 19 per cent since mid-April. The expansion in domestic credit during the month totalled £355 million. This was the expected consequence of the increase in income tax allowances announced in October leading to a reduction of Inland Revenue receipts in the second half of December thus causing the public borrowing requirement to exceed sales of public sector debt to the general public. The increase would have been larger but for the investment in public sector debt of the remainder of these public sector funds which had been placed temporarily in the inter-bank market. The increase in banks' sterling lending to the private sector was less than in recent months but to overseas residents was much the same.

Economic events

January

23 A government proposal to devalue the green pound (the artificial currency used for calculating EEC agricultural prices) by per 5 cent, was defeated in the House of Commons in favour of a $7\frac{1}{2}$ per cent devaluation proposed by the Opposition. Britain's EEC partners have to approve the devaluation, which would have the effect of increasing food prices by $1\frac{1}{2}$ per cent.

25 Professor James Meade's (Institute of Fiscal Studies) report on the reform of the UK tax system was published. It called for the tax system to be based in principle on expenditure rather than income, and on company cash flow rather than profits.

26 The Chancellor announced that the UK intends shortly to repay the equivalent of $1 billion to the IMF. The repayment will further the Government's policy of spreading the hump of debt repayment obligations which fall due in the years 1979–1984.
Mr Gordon Richardson was reappointed as Governor of the Bank of England for a further 5-year period from 1 July.
The Prime Minister issued a firm warning to Leyland workers that the company now had to solve its own problems and could not expect the Government to provide any more solutions.

31 EEC Agricultural Ministers reached agreement on a 2-stage devaluation of the green pound; a 5 per cent devaluation from February 2 on pigmeat and beef, and a full $7\frac{1}{2}$ per cent in all sectors later in the spring.

February

1 Mr Michael Edwardes, chairman of Leyland, put forward a new structural plan for the company to representatives of management and unions. It would involve the loss of 12,500 jobs.
The Prime Minister chaired a NEDC meeting to discuss the progress of the industrial strategy.

2 The Inland Revenue published a consultative document on tax concessions for employee share ownership, explaining several schemes under discussion.

7 In a House of Commons debate on the use by the Government of discretionary sanctions to secure adherence to the 10 per cent pay guidelines, the Secretary of State for Prices announced that all future contracts between the Government and private companies would include a clause to ensure that the 10 per cent guidelines were kept.

8 The National Union of Mineworkers' negotiating team voted to accept a pay offer of 10 per cent to last for twelve months from March 1st (in addition to local productivity schemes).

9 Budget Day is to be April 11, it was announced.

10 The Norwegian kroner was devalued by 8 per cent against the European joint floating currencies.

14 The trade figures showed a disappointing result – a deficit of £129 million compared with a surplus of £74 million in December on the current account.

15 The money supply figures to mid-January showed that the growth of M3 was at present above the target range (9–13 per cent for the financial year 1977–78). The increase in the first 9 months of the year was just under 11 per cent.

17 The Retail Price Index showed that the rate of inflation was now in single figures – 9·9 per cent for the twelve months to January 1978 – for the first time since October 1973.

Selected monthly indicators[1]

	Seasonally adjusted						Unadjusted	Seasonally adjusted				
	1971 =100	Thousands	1970 =100	Thousands		Jan. 1970 =100	1970 =100	Jan. 1974 =100	£ million			
	Volume of retail sales (GB)[2,3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings (all employees) (GB) §	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Balance of payments current account: Exports (f.o.b.) §	Balance of payments current account: Imports (f.o.b.) §	Balance of payments current account: Current balance	Money stock sterling M_3
1976 J	108·2†	105·3	100·4	1,203·5	112·6	248·3	261·5	147·9	1,830	2,042		36,310
F	105·3	101·0	101·7	1,225·8	115·7	250·0	263·9	149·8	1,852	2,084	− 65	36,570
M	104·7	101·9	101·6	1,231·6	121·8	254·4	274·2	150·6	1,973	2,072		36,700
A	108·0	116·4	102·0	1,241·8	122·5	255·0	286·3	153·5	1,975	2,231		37,200
M	106·1	109·7	103·6	1,253·3	120·0	259·6	292·0	155·2	2,067	2,393	−350	37,440
J	106·5	91·0	101·3	1,261·1	115·7	261·2	299·6	156·0	2,129	2,456		37,770
J	107·7	90·6	101·5	1,288·9	118·6	263·1	302·0	156·3	2,063	2,534		38,330
A	107·4	115·0	101·0	1,308·8	126·2	267·2	304·0	158·5	2,204	2,470	−446	38,920
S	106·8	86·5	102·1	1,318·7	125·9	266·1	314·4	160·6	2,232	2,592		39,440
O	105·9	108·8	102·6	1,307·9	124·5	269·0	327·7	163·5	2,335	2,626		39,900
N	106·6	119·2	103·2	.. [8]	.. [8]	272·2	331·8	165·8	2,314	2,757	−366	40,320
D	105·2	110·5	103·3	1,325·7[9]	.. [8]	277·1	330·2	168·0	2,448	2,675		40,170
1977 J	104·5	92·9†	103·4	1,338·2	.. [8]	278·1	337·8	172·4	2,481	3,992		39,640
F	104·0	117·9	103·2	1,331·4	150·5	278·7	339·5	174·1	2,479	2,663	−516	39,220
M	101·7	102·4	103·3	1,321·1	157·3	283·9	347·2	175·8	2,542	2,796		39,260
A	102·3	107·8	102·4	1,322·6	158·5	283·1	349·7	180·3	2,590	2,760		40,140
M	103·2	108·2	103·6	1,315·9	161·2	286·2	348·3	181·7	2,588	2,869	−280	40,380
J	102·3	90·1	100·1	1,352·8	157·8	286·2	345·2	183·6	2,748	3,066		40,680
J	105·0	109·7	102·6	1,402·2	152·7	286·5	344·5	183·8	2,795	2,959		41,190
A	105·2	124·1	102·6	1,413·9	154·1	288·7	338·8	184·7	2,851	2,693	+399	41,250
S	103·9	103·0	102·4	1,446·4	144·7	290·1	338·1	185·7	2,897	2,845		42,120
O	103·3	117·9	101·2	1,433·4	153·4	294·6	333·8	186·5	2,761	2,696		42,840
N	103·8	106·7	101·3	1,432·9	155·6	300·1	329·9	187·4	2,665	2,594		43,130
D	107·0	104·2	102·1	1,428·1	162·7	306·1[10]	328·7	188·4	2,779	2,850		43,530
1978 J				1,428·4	182·8		326·4[10]	189·5	2,629	2,953		44,510
F				1,409·0[10]	187·0[10]							
M												
	Percentage change, latest three months on previous three months											
1977 A	*−2·6*	*+ 1·7*	*−0·3*	..	..	*+ 2·2*	*+ 3·7*	*+ 4·7*	*+ 5·1*	*− 2·4*	..	*− 1·3*
M	*−2·1*	*− 0·9*	*−0·2*	*− 0·9*	..	*+ 2·3*	*+ 3·7*	*+ 4·5*	*+ 4·2*	*+ 1·1*	..	*+ 0·6*
J	*−0·1*	*− 2·3*	*−1·2*	—	..	*+ 1·8*	*+ 1·8*	*+ 4·5*	*+ 5·7*	*+ 2·9*	..	*+ 2·6*
J	*+0·8*	*− 6·1*	*−1·1*	*+ 2·4*	*−1·2*	*+ 1·6*	*+ 0·2*	*+ 3·6*	*+ 6·8*	*+ 8·2*	..	*+ 3·0*
A	*+1·7*	*+ 1·7*	*−1·3*	*+ 5·3*	*−2·6*	*+ 1·0*	*− 1·6*	*+ 2·8*	*+ 8·7*	*+ 3·4*	..	*+ 2·8*
S	*+2·1*	*+10·0*	*+0·5*	*+ 6·8*	*−5·4*	*+ 1·1*	*− 2·4*	*+ 1·6*	*+ 7·8*	*− 2·3*	..	*+ 2·8*
O	*+0·6*	*+12·0*	—	*+ 5·5*	*−4·1*	*+ 1·7*	*− 2·6*	*+ 1·4*	*+ 4·7*	*− 7·4*	..	*+ 3·2*
N	*−0·5*	*+ 1·1*	*−0·1*	*+ 3·5*	*−2·3*	*+ 2·7*	*− 2·6*	*+ 1·4*	*+ 0·9*	*− 4·3*	..	*+ 4·0*
D	—	*− 2·4*	*−1·0*	*+ 0·7*	*+4·5*	*+ 4·1*[10]	*− 2·8*	*+ 1·5*	*− 4·0*	*− 4·2*	..	*+ 4·0*
1978 J				*− 0·1*	*+10·8*		*− 2·5*[10]	*+ 1·5*	*− 3·8*	*+ 2·0*	..	*+ 3·9*
F				*− 1·1*	*+17·4*							
M												
	Percentage change, latest three months on corresponding period of previous year											
1977 A	*−3·1*	*+ 2·8*	*+1·2*	*+ 7·5*	*+29·5*	*+11·4*	*+25·7*	*+16·8*	*+31·2*	*+28·7*	..	*+ 7·4*
M	*−3·6*	*− 2·9*	*+0·7*	*+ 6·3*	*+30·9*	*+11·0*	*+22·6*	*+17·1*	*+28·4*	*+25·8*	..	*+ 7·5*
J	*−4·0*	*− 3·5*	*−0·3*	*+ 6·3*	*+33·3*	*+10·3*	*+18·8*	*+17·4*	*+28·4*	*+22·8*	..	*+ 7·8*
J	*−3·1*	*+ 5·7*	—	*+ 7·0*	*+33·1*	*+ 9·6*	*+16·2*	*+17·5*	*+29·9*	*+20·5*	..	*+ 7·1*
A	*−2·8*	*+ 9·2*	*+0·5*	*+ 8·0*	*+28·9*	*+ 8·8*	*+13·6*	*+17·3*	*+31·2*	*+16·9*	..	*+ 7·0*
S	*−2·4*	*+15·3*	*+1·0*	*+ 8·8*	*+21·8*	*+ 8·7*†	*+11·0*	*+16·6*	*+31·5*	*+11·9*	..	*+ 6·6*
O	*−2·4*	*+11·2*	*+0·2*	*+ 9·1*	*−20·0*	*+ 8·9*	*+ 6·9*	*+15·3*	*+25·7*	*+ 7·1*	..	*+ 6·7*
N	*−2·6*	*+ 4·2*	*−1·0*	..	..	*+ 9·6*	*+ 2·9*	*+14·2*	*+21·0*	*+ 2·0*	..	*+ 5·9*
D	*−1·1*	*− 2·9*	*−1·5*	..	..	*+10·1*	*+ 0·3*	*+13·1*	*+15·6*	*+ 1·0*	..	*+ 7·6*
1978 J				..	..		*− 1·5*[10]	*+11·7*	*+11·5*	*− 0·3*		*+ 9·2*
F				*+ 6·8*	..							
M												

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12. [4] All industries covered. [5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices. [7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country. [10] Provisional.

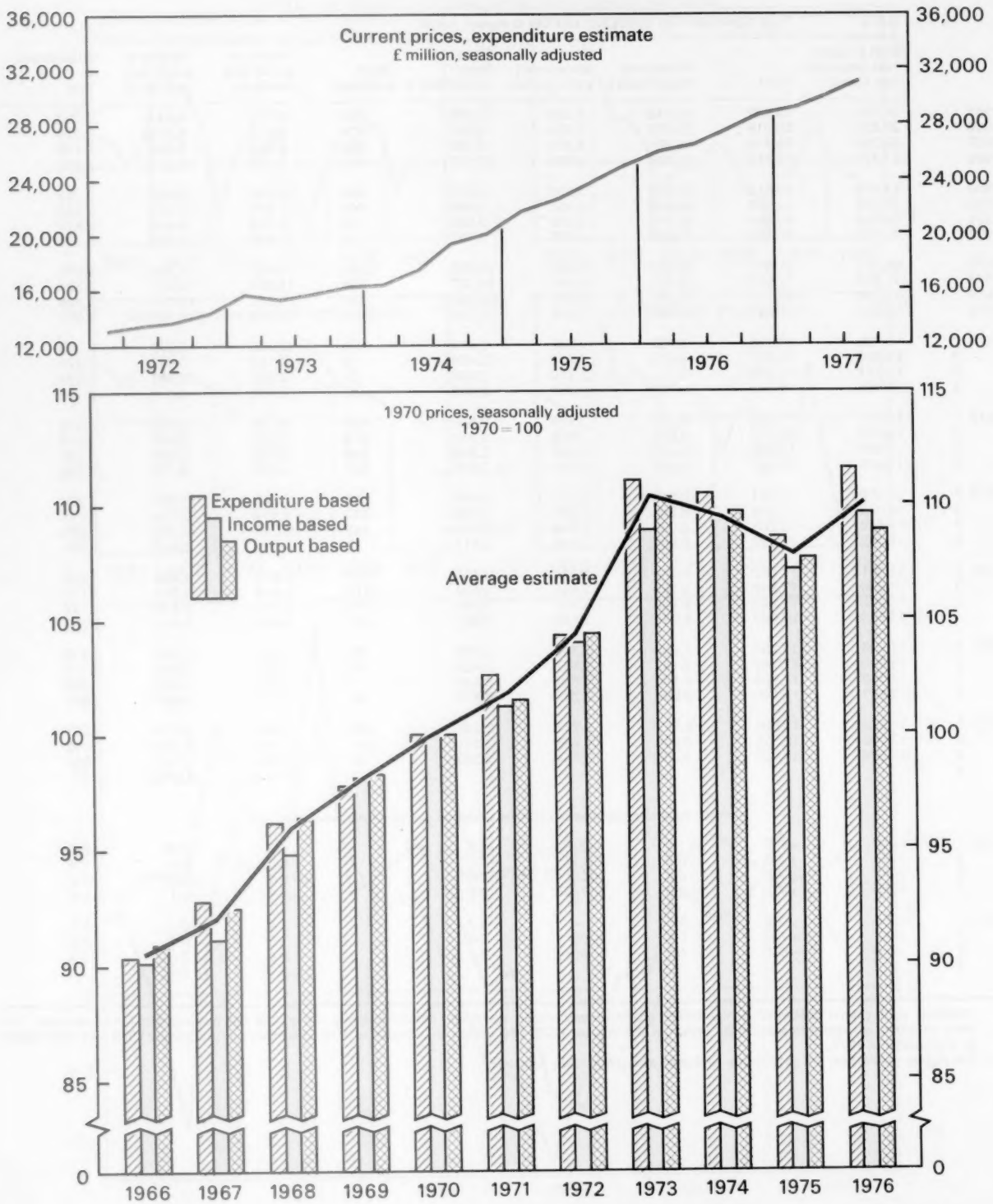
Tables and charts

Gross domestic product at factor cost, total home costs and national disposable income revalued at 1970 market prices[1, 2]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income
	At current prices				At 1970 factor cost						At 1970 market prices
	£ million		1970 = 100		£ million	1970 = 100				1970 = 100	1970 = 100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1966	33,083	32,920	76·3	75·3	39,224	90·4	89·3	90·9	90·2	84·3	90·4
1967	34,877	34,520	80·4	78·9	40,262	92·8	91·1	92·5	92·1	86·6	92·1
1968	37,390	37,154	86·2	85·0	41,721	96·2	94·8	96·4	95·8	89·6	95·0
1969	39,338	39,836	90·7	91·1	42,408	97·8	98·2	98·3	98·1	92·7	97·6
1970	43,368	43,725	100·0	100·0	43,368	100·0	100·0	100·0	100·0	100·0	100·0
1971	49,151	48,883	113·3	111·8	44,509	102·6	101·2	101·5	101·8	110·4	102·2
1972	54,988	55,264	126·8	126·4	45,238	104·3	104·0	104·4	104·2	121·5	105·2
1973	63,554	63,332	146·5	144·8	48,227	111·2	109·9	110·4	110·5	131·8	109·8
1974	73,699	72,870	169·9	166·6	47,953	110·6	108·4	109·6	109·5	153·6	104·8
1975	93,298	92,582	215·1	211·7	47,216	108·9	107·1	107·7	107·9	197·7	104·9
1976	109,140	108,098	251·6	247·2	48,425	111·6	109·7	108·9	110·1	225·4	106·9
1972 1	13,180	12,888	121·6	117·9	11,128	102·6	99·6	101·0	101·1	118·4	104·0
2	13,518	13,611	124·7	124·5	11,304	104·2	104·1	104·6	104·3	119·6	
3	13,825	14,170	127·5	129·7	11,273	104·0	105·7	105·1	104·9	122·7	106·4
4	14,465	14,595	133·4	133·5	11,533	106·4	106·5	107·1	106·6	125·4	
1973 1	15,808	15,143	145·8	138·5	12,273	113·2	107·6	110·3	110·3	128·8	110·3
2	15,466	15,703	142·7	143·7	12,054	111·2	112·0	109·8	111·0	128·3	
3	15,916	16,110	146·8	147·4	11,990	110·6	111·0	110·8	110·8	132·8	109·3
4	16,364	16,376	150·9	149·8	11,910	109·8	109·0	110·7	109·8	137·4	
1974 1	16,548	15,919	152·6	145·6	11,600	107·0	102·2	107·3	105·5	142·7	103·0
2	17,526	17,149	161·7	156·9	12,078	111·4	108·2	110·2	109·9	145·1	
3	19,520	19,430	180·0	177·7	12,306	113·5	112·2	111·3	112·4	158·6	106·6
4	20,105	20,372	185·5	186·4	11,969	110·4	111·1	109·7	110·5	168·0	
1975 1	21,741	21,425	200·5	196·0	11,991	110·6	108·1	109·4	109·3	181·3	105·2
2	22,785	22,588	210·2	206·6	11,850	109·3	107·5	107·5	108·1	192·3	
3	23,715	23,636	218·7	216·2	11,642	107·4	106·2	106·7	106·8	203·7	104·7
4	25,057	24,933	231·1	228·1	11,733	108·2	106·8	107·1	107·4	213·6	
1976 1	26,202	25,702	241·6	235·1	12,205	112·6	109·5	108·5	110·2	214·7	106·7
2	26,615	26,572	245·5	243·1	11,995	110·6	109·6	108·6	109·6	221·9	
3	27,582	27,338	254·4	250·1	12,068	111·3	109·5	108·5	109·8	228·5	107·1
4	28,741	28,486	265·1	260·6	12,157	112·1	110·2	110·1	110·8	236·4	
1977 1	29,204	29,310	269·4	268·1	11,889	109·7	109·2	110·4	109·8	245·6	106·2
2	30,142	29,888	278·0	273·4	12,082	111·4	109·6	109·2	110·1	249·5	
3	31,307	31,226	288·8	285·7	11,974	110·4	109·3	110·0	109·9	261·5	
	Percentage change, period on corresponding period of previous year										
1975 3	*+21·5*	*+21·6*	*+21·5*	*+21·7*	*−5·4*	*−5·4*	*−5·3*	*−4·2*	*−5·1*	*+28·4*	*−1·8*
4	*+24·6*	*+22·4*	*+24·6*	*+22·4*	*−2·0*	*−2·0*	*−3·9*	*−2·4*	*−2·8*	*+27·1*	
1976 1	*+20·5*	*+20·0*	*+20·5*	*+19·9*	*+1·8*	*+1·8*	*+1·3*	*−0·8*	*+0·7*	*+18·4*	*+1·4*
2	*+16·8*	*+17·6*	*+16·8*	*+17·7*	*+1·2*	*+1·2*	*+2·0*	*+1·0*	*+1·4*	*+15·4*	
3	*+16·3*	*+15·7*	*+16·3*	*+15·7*	*+3·7*	*+3·6*	*+3·1*	*+1·7*	*+2·9*	*+12·2*	*+2·3*
4	*+14·7*	*+14·3*	*+14·7*	*+14·2*	*+3·6*	*+3·6*	*+3·2*	*+2·8*	*+3·2*	*+10·7*	
1977 1	*+11·5*	*+14·0*	*+11·5*	*+14·0*	*−2·6*	*−2·6*	*−0·2*	*+1·8*	*−0·4*	*+14·4*	*−0·5*
2	*+13·3*	*+12·5*	*+13·2*	*+12·5*	*+0·7*	*+0·7*	—	*+0·6*	*+0·4*	*+12·4*	
3	*+ 8·9*	*+14·2*	*+13·5*	*+ 9·6*	*−0·8*	*−0·8*	*−0·2*	*+1·4*	*+0·1*	*+14·4*	

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends* January 1975.
[3] Income data deflated by the implied index of total home costs.


Current prices, expenditure estimate
£ million, seasonally adjusted
36,000
32,000
28,000
24,000
20,000
16,000
12,000
1972
1973
1974
1975
1976
1977
1970 prices, seasonally adjusted
1970 = 100
Expenditure based
Income based
Output based
Average estimate
115
110
105
100
95
90
85
0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

8

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1970 prices

	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure§	General government consumption	Gross fixed investment[1]§	Stock building§	Exports of goods and services§	Imports of goods and services[1]§	Adjustment to factor cost
1965	38,491	53,927	28,748	8,268	7,900	616	8,395	8,644	6,798
1966	39,224	55,015	29,280	8,489	8,097	424	8,725	8,873	6,918
1967	40,262	56,879	29,891	8,973	8,780	371	8,864	9,502	7,115
1968	41,721	59,215	30,638	9,004	9,182	493	9,898	10,216	7,278
1969	42,408	60,219	30,839	8,836	9,216	466	10,862	10,559	7,252
1970	43,368	62,008	31,696	8,964	9,453	444	11,451	11,101	7,539
1971	44,509	63,985	32,675	9,228	9,682	92	12,308	11,659	7,817
1972	45,238	66,493	34,542	9,635	9,797	34	12,485	12,839	8,416
1973	48,227	71,591	36,062	10,002	10,253	1,321	13,953	14,393	8,971
1974	47,953	71,515	35,631	10,187	10,287	596	14,814	14,681	8,881
1975	47,216	69,711	35,257	10,792	10,062	— 743	14,343	13,689	8,806
1976	48,425	71,643	35,405	11,054	9,724	66	15,394	14,206	9,012
1972 *1*	11,128	16,256	8,430	2,380	2,414	— 34	3,066	3,075	2,053
2	11,304	16,637	8,615	2,391	2,456	18	3,157	3,209	2,124
3	11,273	16,428	8,700	2,410	2,439	27	2,852	3,081	2,074
4	11,533	17,172	8,797	2,454	2,488	23	3,410	3,474	2,165
1973 *1*	12,273	17,972	9,102	2,475	2,628	439	3,328	3,454	2,245
2	12,054	17,778	8,927	2,489	2,511	419	3,432	3,506	2,218
3	11,990	17,889	9,043	2,509	2,548	236	3,553	3,649	2,250
4	11,910	17,952	8,990	2,529	2,566	227	3,640	3,784	2,258
1974 *1*	11,600	17,523	8,849	2,542	2,646	— 116	3,602	3,657	2,266
2	12,078	17,944	8,846	2,500	2,488	333	3,777	3,732	2,134
3	12,306	18,209	8,985	2,539	2,540	362	3,783	3,682	2,221
4	11,969	17,839	8,951	2,606	2,613	17	3,652	3,610	2,260
1975 *1*	11,991	17,682	8,989	2,653	2,555	— 170	3,655	3,438	2,253
2	11,850	17,346	8,880	2,681	2,484	— 213	3,514	3,323	2,173
3	11,642	17,294	8,739	2,719	2,562[1]	— 213	3,487	3,475[1]	2,177
4	11,733	17,389	8,649	2,739	2,461	— 147	3,687	3,453	2,203
1976 *1*	12,205	17,799	8,829	2,736	2,489	44	3,701	3,358	2,236
2	11,995	17,749	8,797	2,757	2,425[1]	— 57	3,827	3,550[1]	2,204
3	12,068	17,950	8,880	2,780	2,435[1]	— 1	3,856	3,634[1]	2,248
4	12,157	18,145	8,899	2,781	2,375	80	4,010	3,664	2,324
1977 *1*	11,889	17,855	8,761	2,737	2,248	155	3,954	3,715	2,251
2	12,082	18,025	8,665	2,768	2,231[1]	235	4,126	3,748[1]	2,195
3	11,974	17,935	8,796	2,754	2,262	— 81	4,204	3,705	2,256
4							(4,113)[2]	(3,672)[2]	

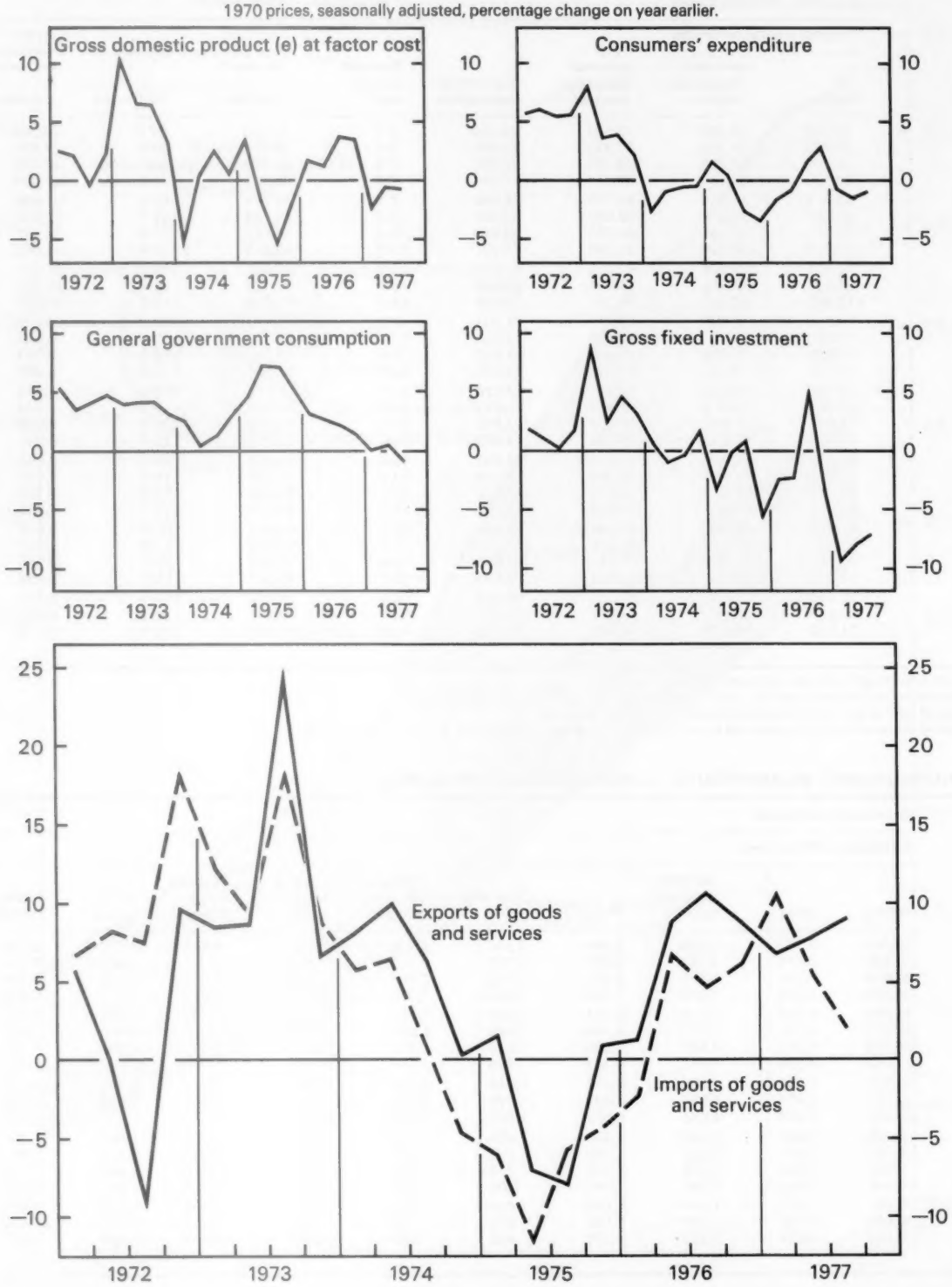
Percentage change, quarter on corresponding quarter of previous year

1976 *1*	*+1·8*	*+0·7*	*−1·8*	*+3·1*	*−2·6*	..	*+1·3*	*−2·3*	*−0·8*
2	*+1·2*	*+2·3*	*−0·9*	*+2·8*	*−2·4*	..	*+8·9*	*+6·8*	*+1·4*
3	*+3·7*	*+3·8*	*+1·6*	*+2·2*	*−5·0*	..	*+10·6*	*+4·6*	*+3·3*
4	*+3·6*	*+4·3*	*+2·9*	*+1·5*	*−3·5*	..	*+8·8*	*+6·1*	*+5·5*
1977 *1*	*−2·6*	*+0·3*	*−0·8*	—	*−9·7*	..	*+6·8*	*+10·6*	*+0·7*
2	*+0·7*	*+1·6*	*−1·5*	*+0·4*	*−8·0*	..	*+7·8*	*+5·6*	*−0·4*
3	*−0·8*	*−0·1*	*−1·0*	*−0·9*	*−7·1*	..	*+9·0*	*+2·0*	*+0·4*
4							(*+2·6*)[2]	(*+0·2*)[2]	

[1] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £100 million in 3rd quarter 1975, £60 million in 2nd quarter 1976, £50 million in 3rd quarter 1976 and £90 million in 2nd quarter of 1977.

[2] The figures in brackets are preliminary estimates and are partially forecast.

1970 prices, seasonally adjusted, percentage change on year earlier.



10

Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1970 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal savings ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1970=100	£ million
1966	32,209	20,389	26,694	24,260	9·1	32,218	92·7	29,280
1967	33,863	21,173	27,841	25,466	8·5	32,679	94·0	29,891
1968	36,495	22,566	29,751	27,390	7·9	33,279	95·7	30,638
1969	39,107	24,188	31,675	29,104	8·1	33,563	96·5	30,839
1970	43,313	26,984	34,775	31,696	8·8	34,775	100·0	31,696
1971	47,952	29,673	38,680	35,399	8·5	35,704	102·7	32,675
1972	54,575	33,141	44,593	39,944	10·4	38,562	110·9	34,542
1973	62,965	38,024	51,156	45,201	11·6	40,813	117·4	36,062
1974	75,971	45,856	60,455	51,977	13·9	41,443	119·2	35,631
1975	96,885	59,300	74,865	63,552	15·1	41,533	119·4	35,257
1976	112,342	67,185	86,241	73,656	14·6	41,454	119·2	35,405
1973 *1*	14,886	8,950	12,057	11,003	8·8	9,977	114·8	9,102
2	15,655	9,447	12,732	11,036	13·3	10,302	118·5	8,927
3	15,928	9,688	12,966	11,432	11·8	10,260	118·0	9,043
4	16,496	9,939	13,401	11,730	12·5	10,274	118·2	8,990
1974 *1*	17,155	10,182	13,814	12,025	13·0	10,173	117·0	8,849
2	18,061	10,913	14,462	12,677	12·3	10,099	116·2	8,846
3	19,645	11,861	15,580	13,372	14·2	10,476	120·5	8,985
4	21,110	12,900	16,599	13,903	16·2	10,695	123·0	8,951
1975 *1*	22,445	13,981	17,412	14,692	15·6	10,653	122·5	8,989
2	23,661	14,426	18,360	15,754	14·2	10,349	119·0	8,880
3	24,947	15,237	19,274	16,352	15·1	10,300	118·5	8,739
4	25,832	15,656	19,819	16,754	15·5	10,231	117·7	8,649
1976 *1*	27,045	16,085	20,839	17,599	15·5	10,452	120·2	8,829
2	27,587	16,533	20,926	17,962	14·2	10,246	117·9	8,797
3	28,318	17,053	22,077	18,686	15·4	10,489	120·6	8,880
4	29,392	17,514	22,399	19,409	13·3	10,267	118·1	8,899
1977 *1*	30,400	17,934	23,259	19,959	14·2	10,210	117·4	8,761
2	30,659	18,113	23,531	20,451	13·1	9,970	114·7	8,665
3	31,326	18,423	24,463	21,338	12·8	10,084	116·0	8,796

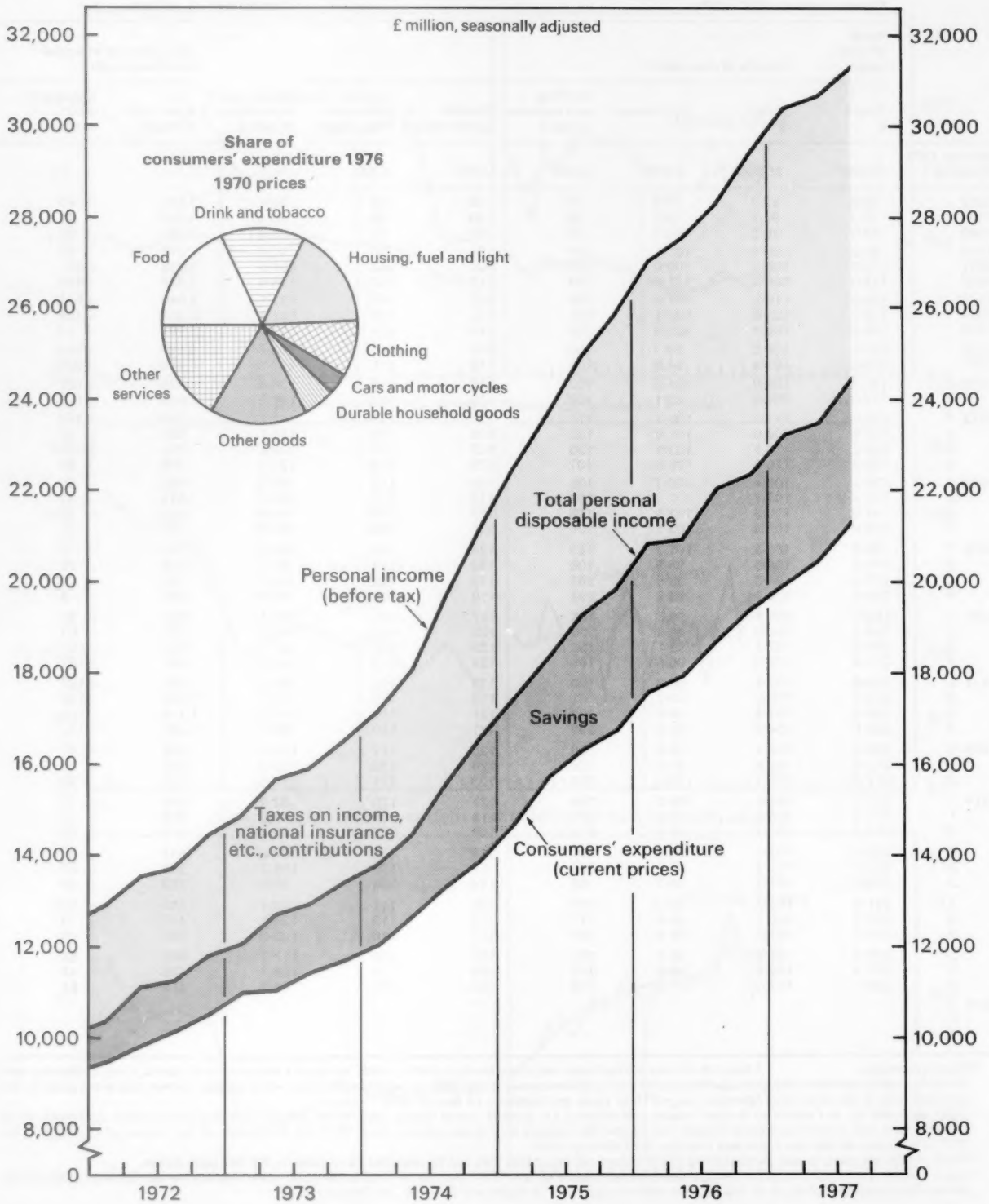
[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1970=100).

Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1970 prices

	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1966	29,280	6,153	3,664	3,591	1,387	2,425	1,252	833	4,242	5,733
1967	29,891	6,195	3,752	3,721	1,393	2,462	1,302	916	4,456	5,694
1968	30,638	6,241	3,851	3,851	1,432	2,596	1,396	975	4,658	5,638
1969	30,839	6,240	3,873	3,992	1,485	2,638	1,347	870	4,716	5,678
1970	31,696	6,336	4,019	4,061	1,495	2,753	1,411	997	4,806	5,818
1971	32,675	6,331	4,112	4,166	1,480	2,800	1,537	1,329	4,966	5,954
1972	34,542	6,282	4,389	4,260	1,534	2,965	1,854	1,588	5,443	6,227
1973	36,062	6,366	4,848	4,344	1,574	3,114	2,074	1,515	5,865	6,362
1974	35,631	6,365	4,920	4,410	1,616	3,087	1,967	1,056	5,933	6,277
1975	35,257	6,407	4,839	4,482	1,596	3,143	1,910	1,054	5,756	6,070
1976	35,405	6,448	4,893	4,595	1,592	3,184	1,968	1,167	5,800	5,758
1976 *1*	8,829	1,607	1,180	1,136	421	778	482	313	1,451	1,461
2	8,797	1,611	1,221	1,143	383	795	486	265	1,444	1,449
3	8,880	1,624	1,256	1,155	379	805	501	295	1,446	1,419
4	8,899	1,606	1,236	1,161	409	806	499	294	1,459	1,429
1977 *1*	8,761	1,571	1,176	1,160	411	804	472	311	1,430	1,426
2	8,665	1,601	1,189	1,168	426	788	468	260	1,346	1,419
3	8,796	1,537	1,220	1,175	405	839	497	305	1,396	1,422
4										


£ million, seasonally adjusted
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
0
Share of consumers' expenditure 1976
1970 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Total personal disposable income
Personal income (before tax)
Savings
Taxes on income, national insurance etc., contributions
Consumers' expenditure (current prices)
1972
1973
1974
1975
1976
1977

Retail sales[5], new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3]	
	Total[4] §	Total[4] §	Food shops[4] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1967	73·8	92·7	97·4	89	84	92	93·1	1,556	− 40
1968	79·3	95·7	98·9	93	89	95	93·1	1,643	+ 46
1969	84·0	96·2	100·5	93	87	95	82·3	1,587	− 20
1970	91·0	98·4	101·1	97	91	98	91·4	1,775	+ 84
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·4	103·8	94·8	105	119	110	107·1	4,458	+625
1972 *3*	114·5	106·9	101·8	107	116	110	135·4	635	+121
4	118·3	108·2	103·1	107	118	112	147·2	662	+119
1973 *1*	122·9	111·0	101·2	114	129	116	147·1	739	+169
2	122·8	108·8	101·6	105	124	114	137·1	681	+ 89
3	128·2	110·3	102·1	106	127	117	139·2	718	+102
4	133·9	110·9	101·5	107	129	119	125·2	708	+ 84
1974 *1*	136·2	108·4	100·7	105	120	116	99·3	568	− 60
2	141·8	107·7	102·0	103	119	113	104·3	615	− 52
3	151·0	110·3	103·9	108	124	115	106·8	651	− 27
4	158·0	109·8	103·1	106	126	115	101·0	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	104·3	710	− 9
2	175·0	108·5	99·9	106	130	113	92·7	753	+ 10
3	176·6	104·3	98·9	105	110	109	103·0	749	− 8
4	181·5	104·2	99·3	103	110	109	88·9	769	− 6
1976 *1*	189·6	105·9	99·5	105	117	111	102·7	833	+ 33
2	196·1	106·9	99·6	106	122	111	105·7	872	+ 80
3	203·4	107·3	99·1	106	125	112	97·4	914	+103
4	211·4	105·9	96·6	105	124	112	112·8	967	+127
1977 *1*	216·4	103·2	94·9	105	116	109	104·4	1,005	+137
2	222·2	102·6	94·7	101	118	108	102·1	1,054	+138
3	234·9	104·6	94·4	107	121	111	112·3	1,178	+188
4	240·1	104·9	95·3	109	121	110	109·6	1,221	+162
1976 *O*	208·4	105·9	96·9	105	125	112	108·8	309	+ 41
N	212·8	106·6	97·0	106	126	113	119·2	328	+ 47
D	212·7	105·2	96·2	105	123	111	110·5	330	+ 39
1977 *J*	215·7	104·5	95·2	106	121	110	92·9	320	+ 36
F	217·4	104·0	95·2	105	118	110	117·9	338	+ 49
M	216·2	101·7	94·4	103	109	108	102·4	347	+ 52
A	220·1	102·3	94·3	101	118	108	107·8	346	+ 48
M	222·7	103·2	95·0	104	117	109	108·2	356	+ 47
J	223·4	102·3	94·7	99	118	108	90·1	352	+ 43
J	231·9	105·0	94·3	107	125	111	109·7	365	+ 52
A	236·7	105·2	94·4	110	118	113	124·1	417	+ 77
S	235·7	103·9	94·4	106	121	110	103·0	396	+ 59
O	235·3	103·3	94·2	103	120	109	117·9	382	+ 38
N	237·3	103·8	93·9	107	118	110	106·7	425	+ 63
D	246·3	107·0	97·3	114	125	110	104·2	414	+ 61
1978 *J*									
F									
M									

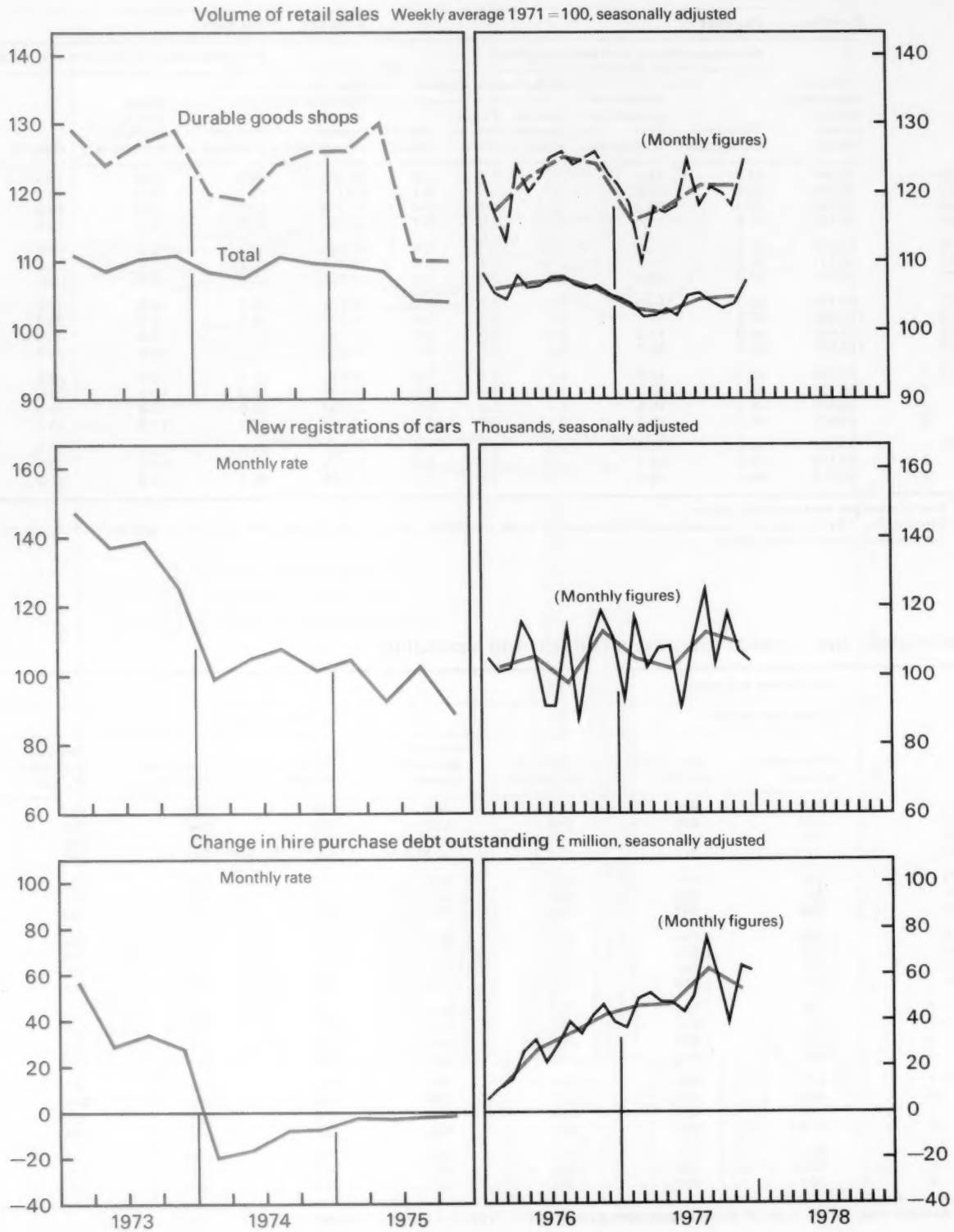
[1] Monthly averages.

[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops, department stores (including co-operatve societies), other general stores and general mail order houses. The figures for retailers have been rebased from 1971 on the results of the Census of Distribution for 1971. For further details see *Trade and Industry*, 10 February 1978.

[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[5] These series have been revised to incorporate the final results of the 1971 Census of Distribution and other improvements. Further details of the revised calculation are given in an explanatory note on page 318 of *Trade and Industry*, 10 February 1978.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
140
130
120
110
100
90
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
160
140
120
100
80
60
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
(Monthly figures)
100
80
60
40
20
0
−20
−40
1973
1974
1975
1976
1977
1978

14

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent					£ million	Per cent		
		Percentage share of total final expenditure						Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government final consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1966	45,163	53·7	14·4	3·7	3·2	8·4	33,280	68·6	13·8	17·7
1967	47,884	53·2	15·0	4·1	3·5	8·1	34,710	68·4	13·3	18·3
1968	52,639	52·1	14·5	4·1	3·1	8·4	37,754	67·3	13·9	18·8
1969	56,158	51·8	14·2	4·0	2·6	8·7	40,581	66·9	14·0	19·1
1970	62,008	51·1	14·5	3·9	2·7	8·6	44,882	67·8	13·2	19·0
1971	69,117	51·2	14·8	3·7	2·7	8·8	49,973	67·4	13·4	19·3
1972	76,817	52·0	15·2	3·6	2·3	9·2	56,665	67·0	13·2	19·9
1973	91,130	49·6	14·5	4·0	2·3	9·2	66,515	65·5	13·9	20·6
1974	109,488	47·5	15·1	4·0	2·6	8·9	79,017	66·7	12·7	20·7
1975	132,552	48·0	17·3	3·8	3·0	8·8	97,940	70·1	9·9	20·0
1976	158,901	46·4	16·7	3·4	3·0	8·4	114,655	68·6	10·8	20·6
1976 *1*	37,250	47·2	16·8	4·1	3·3	7·8	26,995	69·3	10·1	20·6
2	38,725	46·4	16·9	3·3	3·0	8·5	28,149	68·9	10·6	20·5
3	40,424	46·2	16·8	3·1	2·8	8·9	29,197	68·6	10·8	20·6
4	42,502	45·7	16·4	3·1	3·0	8·3	30,314	67·7	11·8	20·5
1977 *1*	43,305	46·1	16·0	3·2	2·8	7·8	31,225	67·1	12·2	20·7
2	45,198	45·2	16·2	2·4	2·5	8·8	31,122	68·2	11·1	20·7
3	46,410	46·0	16·1	2·3	2·6	9·0	31,968	67·5	11·5	21·0

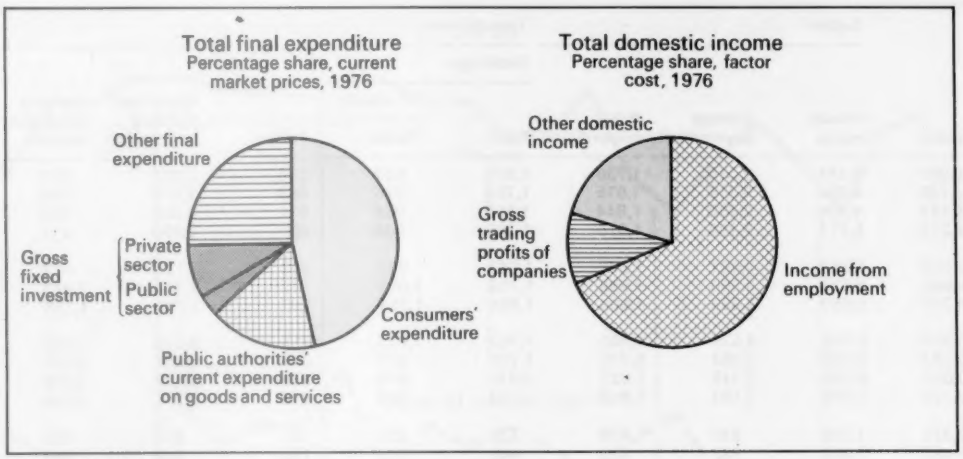
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

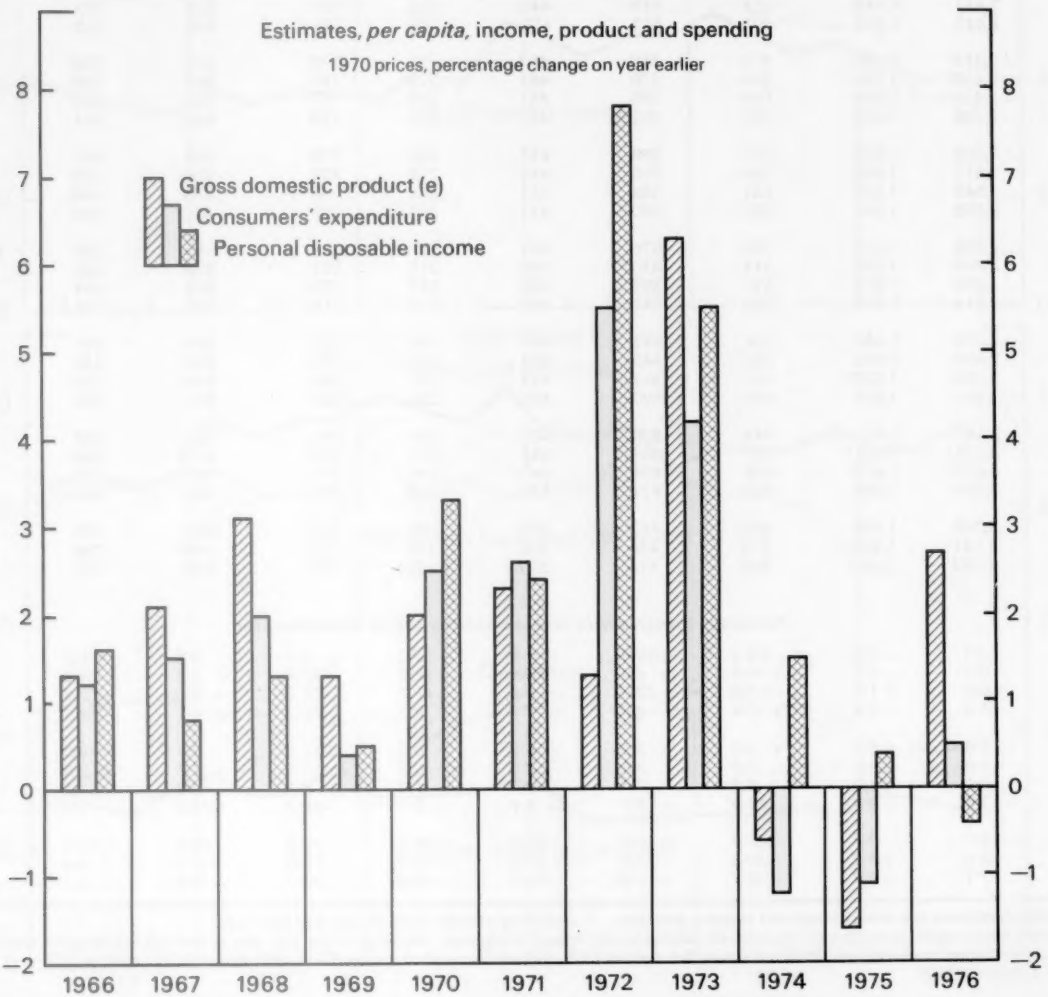
Estimates, *per capita*, income, product and spending

Seasonally adjusted

	£, current prices				£, 1970 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1966	612	605	444	488	718	536	590
1967	642	635	464	507	733	544	595
1968	684	678	497	539	756	555	603
1969	719	710	526	572	766	557	606
1970	791	781	571	626	781	571	626
1971	891	882	635	694	799	587	641
1972	994	984	715	798	810	618	690
1973	1,158	1,134	807	913	861	644	729
1974	1,338	1,315	927	1,079	856	636	739
1975	1,681	1,665	1,134	1,336	843	629	741
1976	1,971	1,948	1,315	1,539	864	632	740
1975 *1*	391	388	262	311	214	160	190
2	410	407	281	327	212	159	185
3	428	423	292	344	208	156	184
4	452	447	299	354	209	154	182
1976 *1*	473	468	314	372	218	158	187
2	480	475	321	373	214	157	183
3	499	492	334	394	215	158	187
4	519	513	346	400	217	159	183
1977 *1*	524	521	356	415	212	156	182
2	539	538	365	420	216	155	178
3	561	559	381	437	214	157	180

[1] At factor cost. [2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1976
Other final expenditure
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
Public authorities' current expenditure on goods and services
Total domestic income
Percentage share, factor cost, 1976
Other domestic income
Gross trading profits of companies
Income from employment


Estimates, *per capita*, income, product and spending
1970 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
−1
−2
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

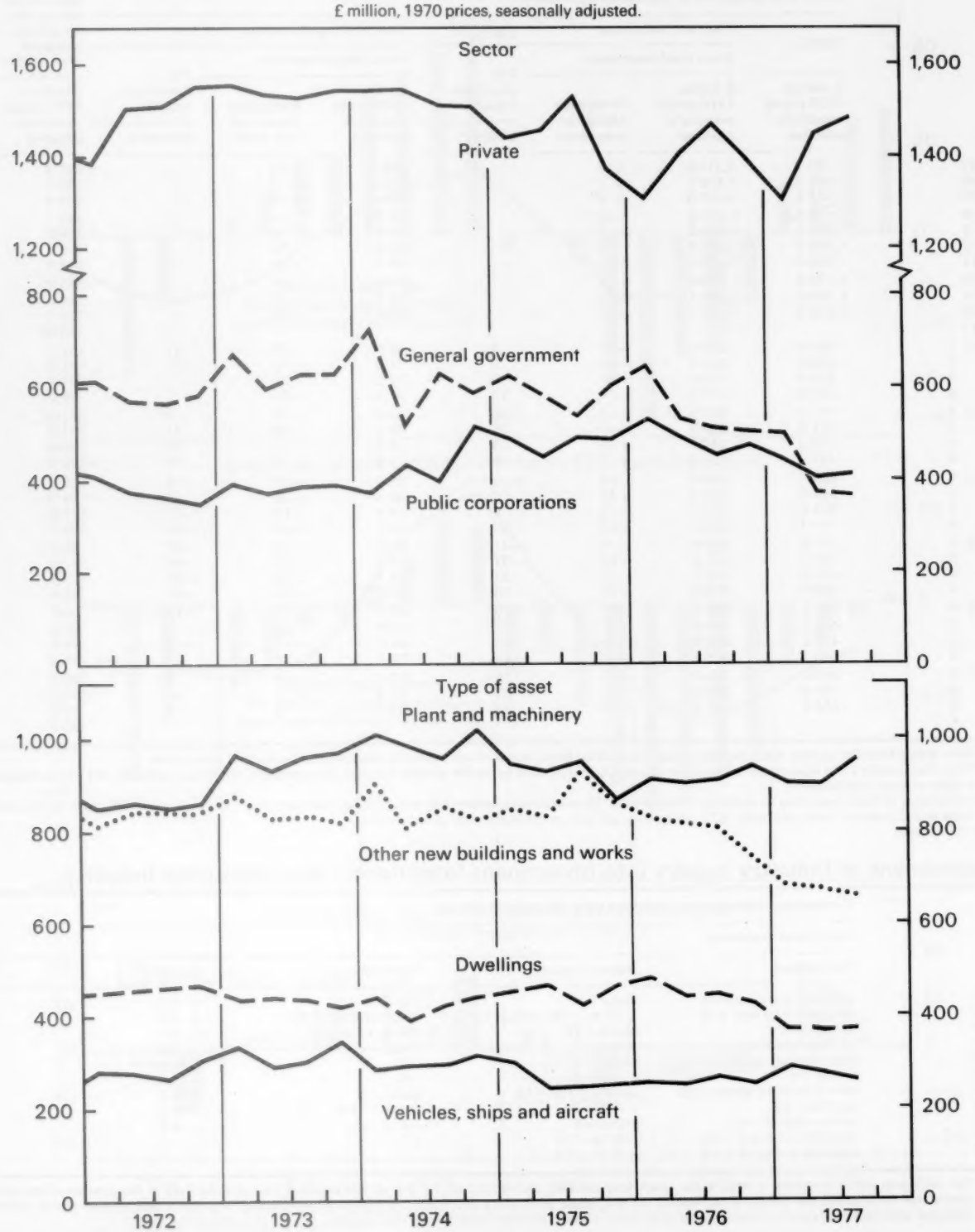
£ million, 1970 prices

		Sector[1]			Type of asset					
					Dwellings					
						of which:				
	Total§	Private sector	General government	Public corporations	Total	Private	Public	Other new building and works[2]	Vehicles ships and aircraft	Plant and machinery
1966	8,097	4,344	2,015	1,738	1,603	847	756	2,601	674	3,219
1967	8,780	4,488	2,316	1,976	1,784	915	869	2,879	752	3,365
1968	9,182	4,906	2,432	1,844	1,868	957	911	3,020	928	3,366
1969	9,216	5,211	2,390	1,615	1,785	894	891	3,050	912	3,469
1970	9,453	5,343	2,431	1,679	1,643	841	802	3,173	979	3,658
1971	9,682	5,596	2,388	1,698	1,754	1,007	747	3,315	1,013	3,600
1972	9,797	5,953	2,338	1,506	1,854	1,151	703	3,355	1,156	3,432
1973	10,253	6,164	2,539	1,550	1,752	1,037	715	3,378	1,283	3,840
1974	10,287	6,103	2,464	1,720	1,705	871	834	3,401	1,201	3,980
1975	10,062	5,795	2,345	1,922	1,820	915	905	3,487	1,056	3,699
1976	9,724	5,585	2,193	1,946	1,806	884	922	3,211	1,038	3,669
1971 *1*	2,370	1,304	630	436	421	234	187	800	252	897
2	2,432	1,430	582	420	443	248	195	825	267	897
3	2,437	1,449	569	419	440	259	181	832	252	913
4	2,443	1,413	607	423	450	266	184	858	242	893
1972 *1*	2,414	1,389	615	410	457	281	176	816	289	852
2	2,456	1,504	574	378	461	279	182	847	284	864
3	2,439	1,507	566	366	467	300	167	847	272	853
4	2,488	1,553	583	352	469	291	178	845	311	863
1973 *1*	2,628	1,556	676	396	442	264	178	881	337	968
2	2,511	1,536	599	376	446	271	175	836	295	934
3	2,548	1,529	631	388	441	255	186	838	306	963
4	2,566	1,543	633	390	423	247	176	823	345	975
1974 *1*	2,646	1,542	728	376	443	237	206	906	286	1,011
2	2,488	1,543	515	430	395	211	184	808	298	987
3	2,540	1,510	631	399	425	197	228	856	299	960
4	2,613	1,508	590	515	442	226	216	831	318	1,022
1975 *1*	2,555	1,440	624	491	456	230	226	853	301	945
2	2,484	1,455	580	449	468	238	230	836	249	931
3	2,562[3]	1,533[3]	537	492	427	227	200	933[3]	250	952
4	2,461	1,367	604	490	469	220	249	865	256	871
1976 *1*	2,489	1,311	648	530	483	229	254	835	258	913
2	2,425[3]	1,404[3]	534	487	445	217	228	821[3]	256	903
3	2,435[3]	1,472[3]	509	454	447	230	217	809[3]	268	911
4	2,375	1,398	502	475	431	208	223	746	256	942
1977 *1*	2,248	1,306	500	442	373	168	205	680	289	906
2	2,231[3]	1,455[3]	372	404	370	191	179	678[3]	280	903
3	2,262	1,482	366	414	377	205	172	664	262	959
					Percentage change, quarter on corresponding quarter of previous year					
1975 *1*	*−3·4*	*−6·6*	*−14·3*	*+30·6*	*+ 2·9*	*− 3·0*	*+ 9·7*	*− 5·8*	*+ 5·2*	*− 6·5*
2	*−0·2*	*−5·7*	*+12·6*	*+ 4·4*	*+18·5*	*+12·8*	*+25·0*	*+ 3·5*	*−16·4*	*− 5·7*
3	*+0·9*	*+1·5*	*−14·9*	*+23·3*	*+ 0·5*	*+15·2*	*−12·3*	*+ 9·0*	*−16·4*	*− 0·8*
4	*−5·8*	*−9·4*	*+ 2·4*	*− 4·9*	*+ 6·1*	*− 2·7*	*+15·3*	*+ 4·1*	*−19·5*	*−14·8*
1976 *1*	*−2·6*	*−9·0*	*+ 3·8*	*+ 7·9*	*+ 5·9*	*− 0·4*	*+12·4*	*− 2·1*	*−14·3*	*− 3·4*
2	*−2·4*	*−3·5*	*− 7·9*	*+ 8·5*	*− 4·9*	*− 8·8*	*− 0·9*	*− 1·8*	*+ 2·8*	*− 3·0*
3	*−5·0*	*−4·0*	*− 5·2*	*− 7·7*	*+ 4·7*	*+ 1·3*	*+ 8·5*	*−13·3*	*+ 7·2*	*− 4·3*
4	*−3·5*	*+2·3*	*−16·9*	*− 3·1*	*− 8·1*	*− 5·5*	*−10·4*	*−13·8*	*—*	*+ 8·2*
1977 *1*	*−9·7*	*−0·4*	*−22·8*	*−16·6*	*−22·8*	*−26·6*	*−19·3*	*−18·6*	*+12·0*	*− 0·8*
2	*−8·0*	*+3·6*	*−30·3*	*−17·0*	*−16·9*	*−12·0*	*−21·5*	*−17·4*	*+ 9·4*	*—*
3	*−7·1*	*+0·7*	*−28·1*	*− 8·8*	*−15·7*	*−10·9*	*−20·7*	*−17·9*	*− 2·2*	*+ 5·3*

[1] Including purchases *less* sales of land and existing buildings. [2] Including transfer costs of land and buildings.

[3] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £100 million in 3rd quarter 1975, £60 million in 2nd quarter 1976, £50 million in 3rd quarter 1976 and £90 million in 2nd quarter 1977.

£ million, 1970 prices, seasonally adjusted.



Indicators of fixed investment by manufacturing industry

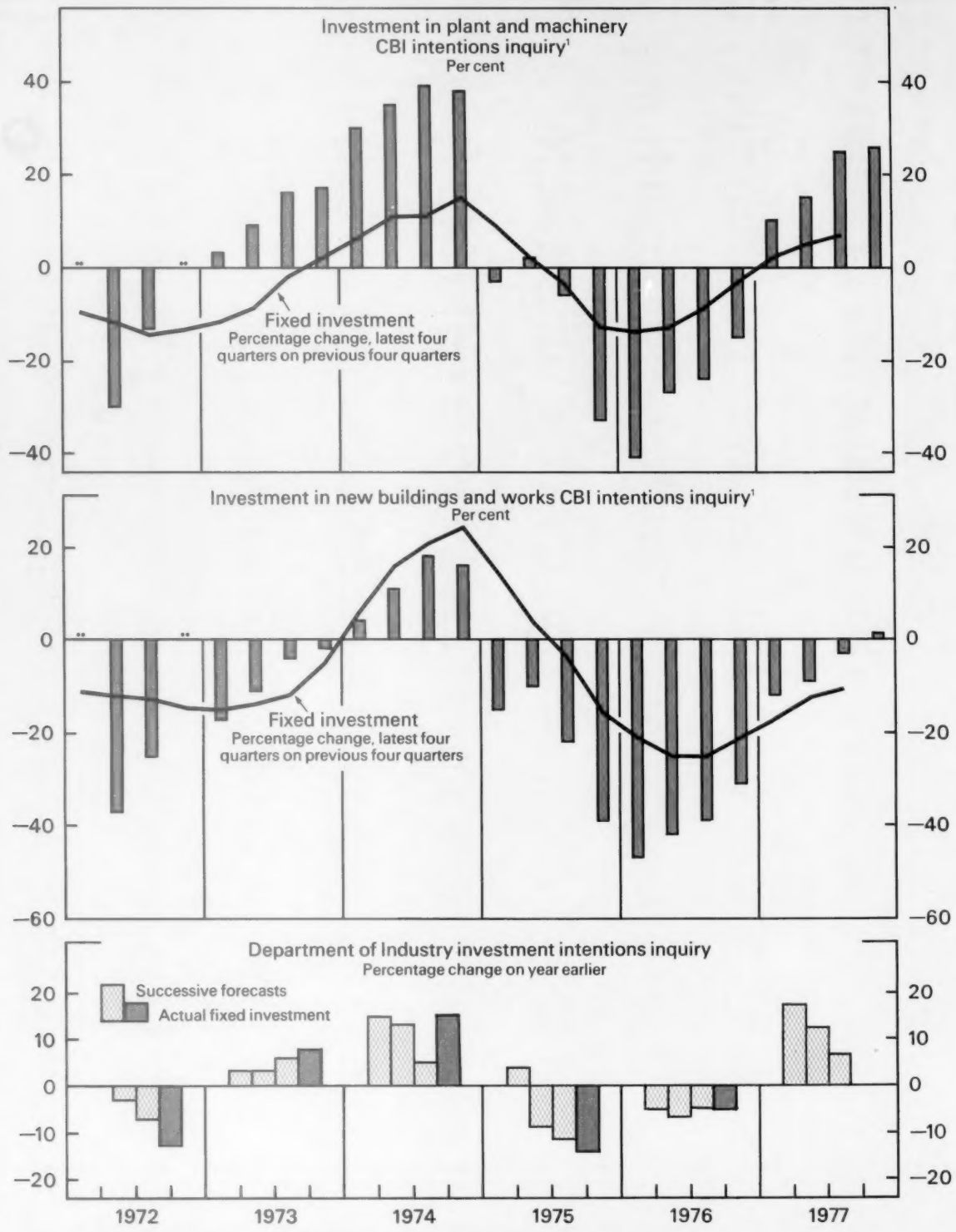
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)[1,2]
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1970 prices, seasonally adjusted	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted
1967	1,737·7	1,318·6	+ *1*	..	319·6	−*12*	..	527·9
1968	1,851·2	1,406·1	+ *7*	..	335·9	+ *5*	..	549·6
1969	1,977·5	1,471·5	+ *5*	..	390·1	+*16*	..	605·9
1970	2,129·8	1,623·9	+*10*	..	391·2	—	..	565·2
1971	1,990·7	1,520·2	− *6*	..	357·1	− *9*	..	405·2
1972	1,739·2	1,310·4	−*14*	..	305·5	−*14*	..	400·5
1973	1,752·9	1,333·0	+ *2*	..	289·3	− *5*	..	514·9
1974	2,028·4	1,529·2	+*15*	..	359·0	+*24*	..	433·0
1975	1,744·8	1,336·7	−*13*	..	302·7	−*16*	..	276·9
1976	1,659·2	1,297·7	− *3*	..	240·2	−*21*	..	329·5
1977								397·5[4]
1972 *1*	457·3	350·1	−*11*	3	79·1	−*12*	−17	101·2
2	428·8	322·0	−*15*	9	77·3	−*14*	−11	102·8
3	425·9	316·6	−*17*	16	77·2	−*12*	− 4	97·4
4	427·2	321·7	−*11*	17	71·9	−*20*	− 2	99·0
1973 *1*	437·6	337·3	− *4*	30	67·2	−*15*	4	121·7
2	421·8	321·3	—	35	69·2	−*10*	11	124·5
3	456·3	347·1	+*10*	39	76·0	− *2*	18	130·0
4	437·2	327·3	+ *2*	38	76·9	+ *7*	16	138·8
1974 *1*	509·0	384·6	+*14*	− 3	89·4	+*33*	−15	108·3
2	504·0	379·3	+*18*	2	89·1	+*29*	−10	109·0
3	504·0	379·7	+ *9*	− 6	88·4	+*16*	−22	109·5
4	511·4	385·6	+*18*	−33	92·1	+*20*	−39	106·1
1975 *1*	471·8	358·0	− *7*	−41	85·0	− *5*	−47	85·0
2	446·2	341·4	−*10*	−27	79·5	−*11*	−42	67·0
3	419·9	322·1	−*15*	−24	72·7	−*18*	−39	73·1
4	406·9	315·2	−*18*	−15	65·5	−*29*	−31	51·9
1976 *1*	404·5	314·9	−*12*	10	62·3	−*27*	−12	70·7
2	407·3	316·4	− *7*	15	59·5	−*25*	− 9	83·0
3	421·2	329·9	+ *2*	25	60·0	−*17*	− 3	78·9
4	426·2	336·5	+ *7*	26	58·4	−*11*	1	96·9
1977 *1*	419·1	330·2	+ *5*	29	53·5	−*14*	4	92·5
2	431·9	336·0	+ *6*	31	55·4	− *7*	—	115·1
3	454·9	361·5	+*10*	23	56·1	− *6*	− 4	97·2
4								92·7[4]

[1] New orders from 3rd quarter 1974 include orders received by firms, mostly small, added to the statistical register in that period.
[2] From 2nd quarter 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less. Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
[4] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·5
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 6·8
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−12·6
1973	+2 to +5	+2 to +5	+6	+ 0·8
1974	strong increase about +15	some +12 to +14	about +5	+15·7
1975	less than +5	−7 to −10	about −11 or −12	−14·0
1976	of the order of −5	−5 to −8	−4 to −5	− 4·9
1977	between +15 and +20	+10 to +15	+7	
1978	between +12 and +17	+10 to +13		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these two inquiries are not included in the table.)

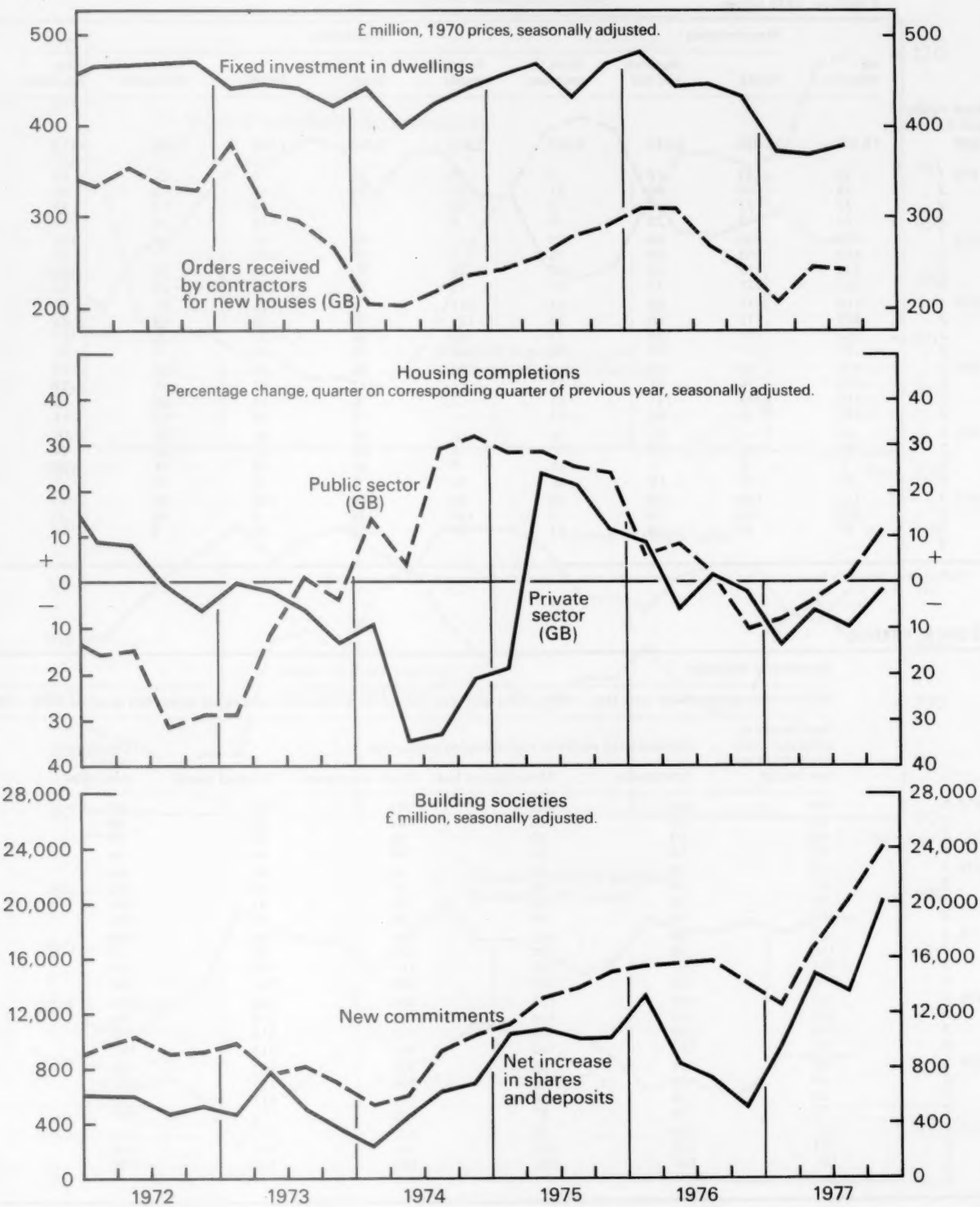


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1970 prices		Thousands				£ million		1970=100
			Housing starts (GB) §		Housing completions (GB) §		Building Societies Association.		
	Fixed investment in dwellings	Orders received by contractors for new houses (GB) [1,2]	Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	Average price of new dwellings: mortgages approved [3]
1967	1,784	1,665·9	233·6	213·9	200·4	203·9	1,649	1,099	83·8
1968	1,868	1,435·7	200·1	194·3	222·0	191·7	1,480	767	89·6
1969	1,785	1,165·9	166·8	176·6	181·7	185·1	1,580	895	94·2
1970	1,643	1,171·6	165·1	153·8	170·3	180·1	2,188	1,490	100·0
1971	1,754	1,190·8	207·4	136·9	191·6	158·9	3,013	2,034	115·3
1972	1,854	1,351·1	228·0	123·0	196·5	122·8	3,802	2,193	151·5
1973	1,752	1,247·9	215·7	112·8	186·6	107·5	3,254	2,102	206·4
1974	1,705	866·2	105·9	146·8	140·9	128·6	3,115	1,993	218·9
1975	1,820	1,066·0	149·1	173·8	150·8	162·3	5,302	4,172	239·5 [4]
1976	1,806	1,139·5†	154·7	170·9	152·2	163·0	6,106	3,403	259·5
1977		957·8	133·9	132·3	139·7	162·5	7,356	5,808	285·4
1972 *3*	467	332·4	57·6	28·2	48·9	25·9	909	466	167·6
4	469	326·9	62·0	31·0	49·0	27·0	916	526	182·2
1973 *1*	442	382·4	62·6	29·8	48·8	25·8	991	464	193·0
2	446	303·2	54·9	27·8	49·0	29·5	759	784	205·4
3	441	297·7	52·8	27·2	46·1	26·2	816	498	211·6
4	423	264·5	45·4	28·0	42·7	26·0	688	356	217·0
1974 *1*	443	204·6	33·8	34·1	44·3	29·5	533	218	216·8
2	395	202·0	25·8	40·3	31·9	30·8	598	456	215·4
3	425	223·4	22·5	36·5	30·9	33·9	931	634	221·0
4	442	236·1	23·8	35·9	33·8	34·4	1,053	685	221·8
1975 *1*	456	242·6	33·1	41·4	35·8	37·8	1,119	1,054	228·1
2	468	256·1	37·4	37·8	39·6	39·3	1,311	1,085	239·4
3	427	276·9	38·0	43·9	37·6	42·5	1,373	1,012	244·5
4	469	290·3	40·6	50·7	37·8	42·7	1,499	1,021	246·1
1976 *1*	483	311·4	41·8	49·9	39·2	40·2	1,537	1,341	249·8
2	445	309·7	42·2	44·6	37·7	42·5	1,552	824	258·4
3	447	269·3	39·9	44·8	38·3	41·8	1,581	727	264·1
4	431	248·6	30·8	31·6	37·0	38·5	1,419	513	267·0
1977 *1*	373	206·4 [4]	29·7†	30·2†	33·8	37·0†	1,255	939	270·3
2	370	245·5	34·5	33·0	35·3	40·6	1,680	1,503	279·8
3	377	240·9	35·6	35·0	34·5	42·3	2,021	1,352	288·9
4		265·0	34·1	34·1	36·1	42·6	2,400	2,014	298·2
1976 *O*	..	84·3	10·5	11·5	12·1	13·6	495	175	266·5
N	..	87·1	10·6	10·9	12·5	13·0	467	155	265·0
D	..	77·2	9·7	9·2	12·4	11·9	457	183	270·3
1977 *J*	..	66·7	10·0†	11·5	10·9	12·4	394	224	270·4
F	..	63·7	9·3	7·7†	11·7	12·9†	389	323	268·6
M	..	76·0	10·4	11·0	11·2	11·7	472	392	271·5
A	..	76·0	12·4	9·8	12·3	13·6	458	496	276·3
M	..	80·3	11·5	11·4	11·8	13·1	634	547	278·7
J	..	89·2	10·6	11·8	11·2	13·9	588	460	284·1
J		70·0	12·7	11·7	12·6	12·5	609	368	286·7
A		86·5	9·7	10·9	10·4	14·7	685	427	289·7
S		84·4	13·2	12·4	11·5	15·1	727	557	290·3
O		76·1	12·4	12·4	12·5	14·9	780	667	295·3
N		92·1 [5]	10·7	10·9	11·5	13·7	798	701	298·3
D		96·8 [5]	11·0	10·8	12·1	14·0	822	646	301·6
1978 *J*							805	504	
F									
M									

[1] New orders from 3rd quarter 1974 include orders received from firms, mostly small, added to the statistical register in that period.
[2] From April 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[4] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages. [5] Provisional.


£ million, 1970 prices, seasonally adjusted.
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
500
400
300
200
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted.
Public sector (GB)
Private sector (GB)
40
30
20
10
+
0
—
Building societies
£ million, seasonally adjusted.
New commitments
Net increase in shares and deposits
28,000
24,000
20,000
16,000
12,000
800
400
0
1972
1973
1974
1975
1976
1977

Stock changes

Seasonally adjusted

£ million, 1970 prices

	All industries§	Manufacturing[1] Total§	Materials and fuel	Work in progress	Finished goods	Distribution Total	Retail	Wholesale	Other industries
Book values end-December									
1976	18,401	10,529	3,543	4,082	2,903	3,759	1,929	1,830	4,113
1972 *1*	− 34	− 83	−15	7	− 75	29	8	21	20
2	18	− 60	−50	21	− 31	39	41	− 2	39
3	27	− 21	2	− 2	− 22	− 1	−15	14	49
4	23	19	22	6	− 8	− 4	−19	15	8
1973 *1*	439	199	89	110	—	131	92	39	109
2	419	166	94	75	− 3	216	209	7	37
3	236	111	43	82	− 14	70	40	30	55
4	227	121	77	57	− 13	64	38	26	42
1974 *1*	−116	− 71	64	−24	−111	+ 1	−20	21	−46
2	333	211	68	22	121	73	25	48	49
3	362	377	135	73	169	− 32	−37	5	17
4	17	117	20	15	82	− 70	−77	7	−30
1975 *1*	−170	− 31	136	17	88	− 66	−44	−22	−73
2	−213	− 74	− 51	−22	− 1	−112	−61	−51	−27
3	−213	−209	−141	−61	− 7	− 10	16	−26	6
4	−147	−115	− 63	−52	—	12	24	−12	−44
1976 *1*	44	—	− 25	12	13	59	33	26	−15
2	− 57	− 66	− 28	−34	− 4	− 65	−45	−20	74
3	− 1	− 2	7	−16	7	30	16	14	−29
4	80	73	− 15	48	40	8	5	3	− 1
1977 *1*	155	125	55	44	26	153	102	51	−123
2	235	164	39	− 5	130	34	− 5	39	37
3	− 81	− 45	−24	−51	31	−50	−44	− 6	14
4									

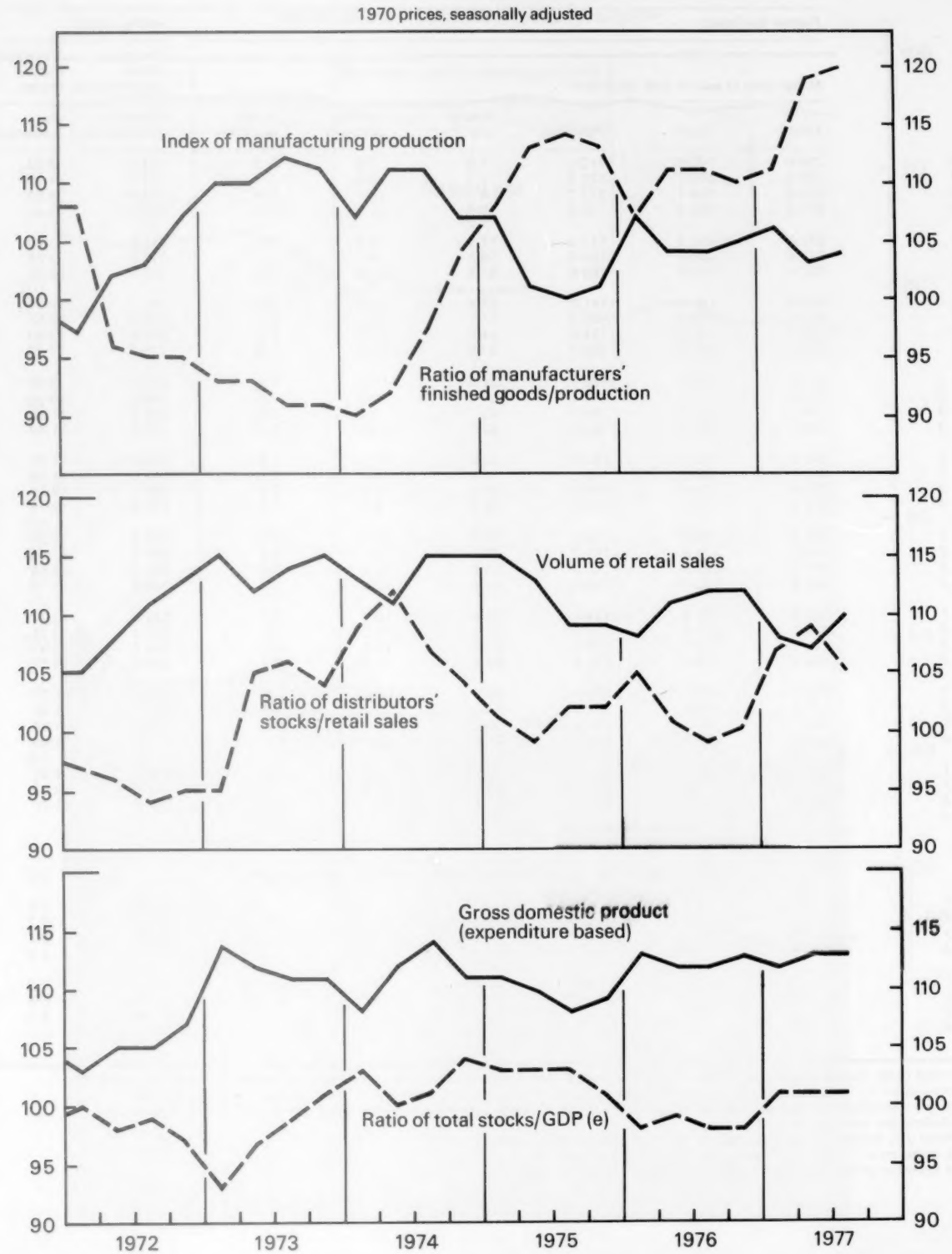
[1]Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

Stock ratios

Seasonally adjusted

1970 prices: stocks level, end-Dec. 1969=100; GDP (e), industrial production and retail sales, 4th quarter 1969=100

	Total stocks to gross domestic product (expenditure based)	Manufactured stocks to manufacturing production Total stocks	Materials and fuel	Work in progress	Finished goods	Distributors' stocks to retail sales
1972 *1*	100	104	102	104	108	97
2	98	93	90	94	96	96
3	99	93	90	94	95	94
4	97	94	92	95	95	95
1973 *1*	93	93	91	95	93	95
2	97	95	94	97	93	105
3	99	94	93	97	91	106
4	101	96	96	99	91	104
1974 *1*	103	99	102	103	90	109
2	100	98	100	100	92	112
3	101	101	103	101	97	107
4	104	105	107	105	104	104
1975 *1*	103	106	104	106	108	101
2	103	110	108	111	113	99
3	103	109	105	110	114	102
4	101	107	102	108	113	102
1976 *1*	98	102	96	103	107	105
2	99	104	98	105	111	101
3	98	104	98	104	111	99
4	98	104	97	105	110	100
1977 *1*	101	104	98	105	111	107
2	101	108	103	107	119	109
3	101	107	100	105	120	105
4						

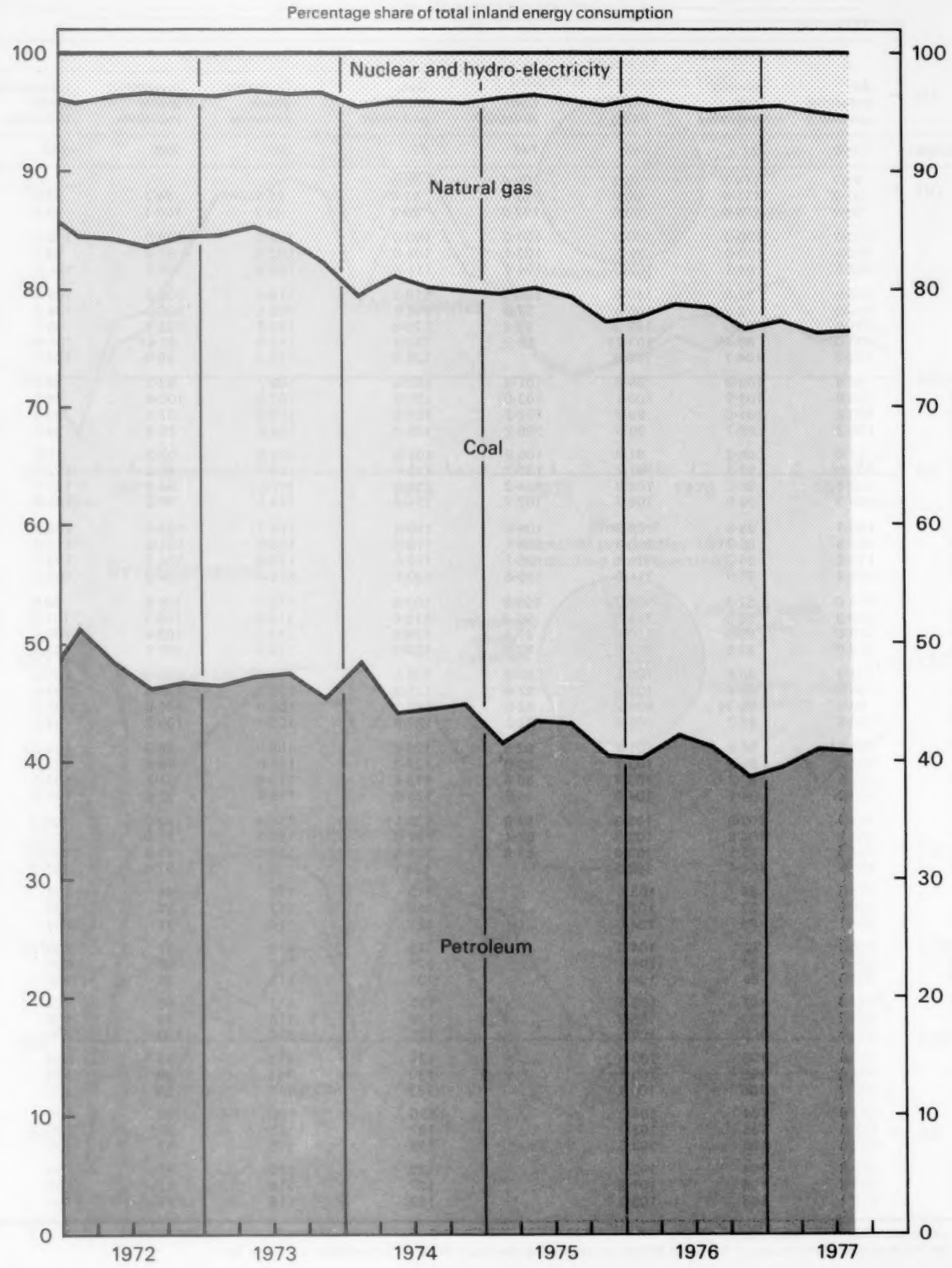

1970 prices, seasonally adjusted
Index of manufacturing production
Ratio of manufacturers' finished goods/production
Volume of retail sales
Ratio of distributors' stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
120
115
110
105
100
95
90
1972
1973
1974
1975
1976
1977

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tons of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4,5]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1966	298·0	173·5	113·2	1·2	7·8	2·3	171·9	4·04
1967	298·5	163·7	121·2	2·1	8·9	2·6	177·8	4·37
1968	307·9	164·1	127·1	4·7	10·1	1·9	193·6	4·88
1969	317·9	160·2	136·2	9·2	10·5	1·8	200·5	5·40
1970	331·0	154·3	147·4	17·6	9·3	2·4	211·6	6·30
1971	327·6	137·8	150·0	28·4	9·7	1·7	215·9	8·25
1972	332·1	119·9	159·6	40·3	10·5	1·8	224·1	10·82
1973	348·4	131·0	161·9	43·6	9·9	2·0	241·0	12·04
1974	332·6	115·8	150·7	52·1	11·9	2·1	235·5	13·53
1975	320·9	118·8	134·9	54·5	10·8	1·9	234·2	13·90
1976	325·6	121·0	132·1	57·9	12·7	1·9	236·7	14·43
1972 *1*	311·9	103·2	160·1	35·4	11·4	1·8	213·4	9·98
2	332·6	119·2	161·1	39·7	10·3	2·3	224·4	10·70
3	336·1	126·0	154·7	43·7	9·7	2·0	226·3	11·18
4	348·0	131·2	162·6	42·5	10·6	1·1	232·2	11·42
1973 *1*	345·8	132·2	160·2	40·8	10·7	1·9	243·2	11·51
2	346·9	132·3	163·2	40·2	9·2	2·0	241·3	11·69
3	351·2	129·1	166·5	43·4	10·0	2·2	241·3	12·19
4	349·5	130·2	157·8	50·0	9·7	1·8	238·3	12·79
1974 *1*	306·9	94·6	148·5	49·7	11·3	2·8	216·3	13·20
2	334·8	124·6	147·2	49·4	12·3	1·3	237·1	13·49
3	346·0	123·8	153·4	54·6	12·2	2·0	244·2	13·66
4	342·9	120·0	153·9	54·6	12·0	2·4	244·3	13·78
1975 *1*	326·2	125·2	134·6	53·6	10·7	2·1	236·2	13·73
2	324·7	119·3	140·8	52·9	10·2	1·5	237·3	13·71
3	318·1	115·1	137·0	53·3	10·6	2·1	234·7	13·97
4	314·7	115·4	127·1	58·4	11·8	2·0	228·5	14·17
1976 *1*	328·4	123·5	131·7	60·5	10·8	1·9	230·9	14·27
2	325·2	118·9	137·3	54·2	12·3	2·5	240·4	14·36
3	323·2	118·6	134·5	54·2	14·4	1·5	244·3	14·48
4	325·5	123·2	124·9	62·6	13·2	1·6	231·4	14·59
1977 *1*	332·7	125·8	131·2	60·7	13·4	1·6	238·2	14·95
2	335·0	117·8	137·2	62·9	14·4	2·7	242·4	15·33
3	334·4	118·4	136·8	61·4	16·1	1·7	249·4	15·70
4								
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·7*	*− 1·3*	*− 2·1*	*+12·8*	*+ 1·0*	*− 8·9*	*− 2·2*	*+ 3·9*
2	*+ 0·2*	*− 0·3*	*− 2·5*	*+ 2·4*	*+20·5*	*+62·1*	*+ 1·3*	*+ 4·7*
3	*+ 1·6*	*+ 3·1*	*− 1·8*	*+ 1·7*	*+35·8*	*−30·5*	*+ 4·1*	*+ 3·7*
4	*+ 3·4*	*+ 6·8*	*− 1·8*	*+ 7·3*	*+11·6*	*−20·9*	*+ 1·3*	*+ 3·0*
1977 *1*	*+ 1·3*	*+ 1·9*	*− 0·4*	*+ 0·3*	*+24·6*	*−15·6*	*+ 3·2*	*+ 4·8*
2	*+ 3·0*	*+ 1·0*	*—*	*+16·0*	*+17·0*	*+ 7·4*	*+ 0·8*	*+ 6·8*
3	*+ 3·5*	*− 0·1*	*+ 1·7*	*+13·3*	*+12·0*	*+13·3*	*+ 2·0*	*+ 8·4*
4								

[1] Revised basis. Details of changes are given in the *Digest of United Kingdom Energy Statistics 1976* and in *Energy Trends,* August 1976.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or reinjected.
[5] Natural gas, nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1972
1973
1974
1975
1976
1977

Index of industrial production

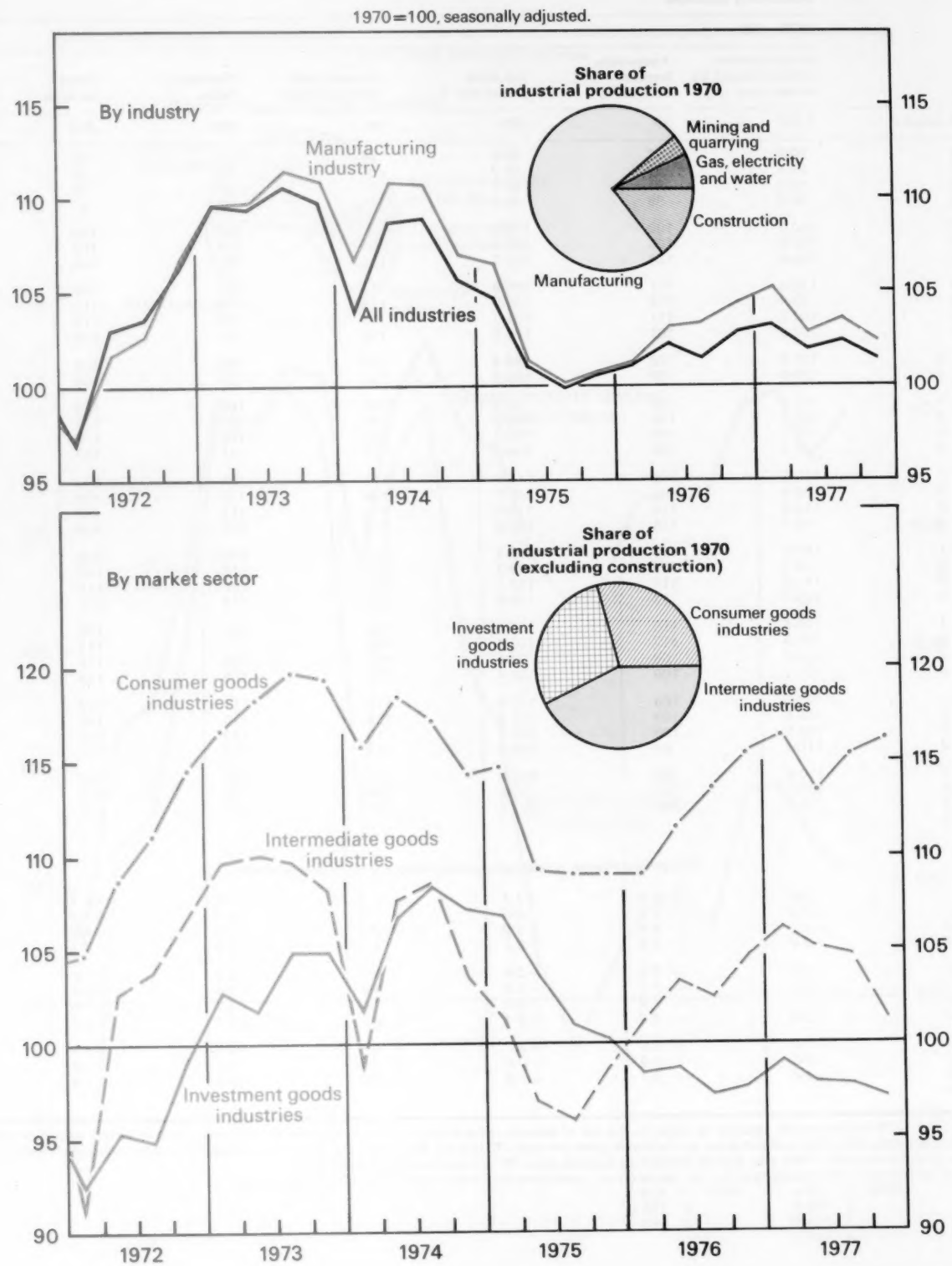
Seasonally adjusted

1970=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1970 weights	*1,000*	*37*	*745*	*146*	*72*	*249*	*238*	*363*
1967	91·7	114·5	89·8	100·4	86·0	..	..	..
1968	97·2	111·2	96·0	102·7	91·6	95·4	94·7	97·8
1969	99·9	104·0	99·6	102·0	96·2	98·3	100·1	99·9
1970	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1971	100·3	100·0	99·4	103·1	104·0	102·5	97·9	99·2
1972	102·5	84·1	102·0	104·9	111·6	109·8	95·4	101·1
1973	109·9	92·6	110 5	107·0	118·3	118·6	103·5	109·4
1974	106·9	78·8	108·9	97·9	118·9	116·5	106·0	104 6
1975	101·5	86·0	102·2	92·6	120·8	110·5	102·9	98·1
1976	102·0†	89·4†	103·1†	88·9	123·5	112·4	97·9†	102·9†
1977	102·3	104·1	103·6		128·0	115·3	98·0	104·2
1971 *1*	99·9	103·8	99·2	101·8	100·8	100·7	98·2	99·7
2	100·8	103·9	100·1	103·0	101·5	102·0	100·6	99·1
3	100·2	101·6	99·3	102·2	104·8	103·2	97·1	99·3
4	100·3	90·7	99·0	105·2	108·8	104·2	95·9	98·6
1972 *1*	97·0	46·2	97·0	105·9	104·5	104·8	92·3	91·0
2	103·0	97·2	101·7	106·7	112·0	108·7	95·2	102·7
3	103·6	96·2	102·8	104·2	114·9	111·1	94·9	103·9
4	106·3	96·9	106·7	102·7	114·8	114·6	99·3	106·8
1973 *1*	109·7	98·5	109·7	109·6	115·8	116·7	102·7	109·7
2	109·5	95·7	110·0	106·1	118·9	118·6	101·6	110·0
3	110·6	94·2	111·5	106·7	118·0	119·9	104·9	109·7
4	109·8	81·9	111·0	105·6	120·5	119·4	104·9	108·2
1974 *1*	104·0	52·9	106·7	100·9	107·8	115·7	101·8	98·5
2	108·9	86·3	111·0	99·2	118·6	118·6	106·7	107·6
3	109·0	88·5	110·8	97·5	124·5	117·2	108·4	108·6
4	105·6	87·5	107·0	93·9	124·8	114·3	107·1	103·5
1975 *1*	104·7	86·5	106·5	92·8	120·5	114·7	106·8	101·4
2	100·9	85·6	101·3	92·6	121·9	109·2	103·6	96 8
3	99·8	85·3†	100·2	92·6	118·3	108·9	101·0	95·8
4	100·6	86·7	100·9	92·2	122·6	109·1	100·2	98·6
1976 *1*	101·2†	86·9	101·4	92·5	125·0	109·0	98·3	101·2
2	102·3	89·3	103·2	90·0	124·3	111·6	98·6	103·3
3	101·5	87·3	103·4	86·4	119·8	113·5	97·2	102·3
4	103·0	94·1	104·5	86·9	125·0	115·4	97·6	104·6
1977 *1*	103·3	102·9	105·3	80·8	128·1†	116·4	99·0	106·2
2	102·0	104·2	102·9	82·4	131·6	113·3	97·9	105·0
3	102·5	105·1	103·6	83·6	128·5	115·2	97·8	104·7
4	101·5	104·4	102·5		124·1	116·1	97·1	101·2
1976 *J*	101·5	86	103·6	..	119	115	98	101
A	101·0	87	102·8	..	119	112	97	102
S	102·1	89	104·0	..	122	114	97	104
O	102·6	92	104·6	..	119	116	97	103
N	103·2	94	104·7	..	125	115	98	105
D	103·3	96	104·2	..	131	115	98	106
1977 *J*	103·4	101	105·2	..	132	117	98	107
F	103·2	103	105·3	..	126	116	99	106
M	103·3	105	105·5	..	126	116	100	106
A	102·4	103	103·5	..	131	115	99	105
M	103·6	105	105·1	..	130	114	99	108
J	100·1	105	100·1	..	133	111	96	103
J	102·6	104	104·2	..	125	115	98	105
A	102·6	105	103·3	..	132	115	98	105
S	102·4	106	103·3	..	129	115	97	105
O	101·2	104	102·2	..	122	116	97	100
N	101·3	104	101·9	..	127	115	97	101
D	102·1	105	103·3		123	118	97	102

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1970=100, seasonally adjusted.
By industry
Share of industrial production 1970
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
115
110
105
100
95
1972
1973
1974
1975
1976
1977
By market sector
Share of industrial production 1970 (excluding construction)
Consumer goods industries
Intermediate goods industries
Investment goods industries
120
115
110
105
100
95
90

Index numbers of output

Seasonally adjusted

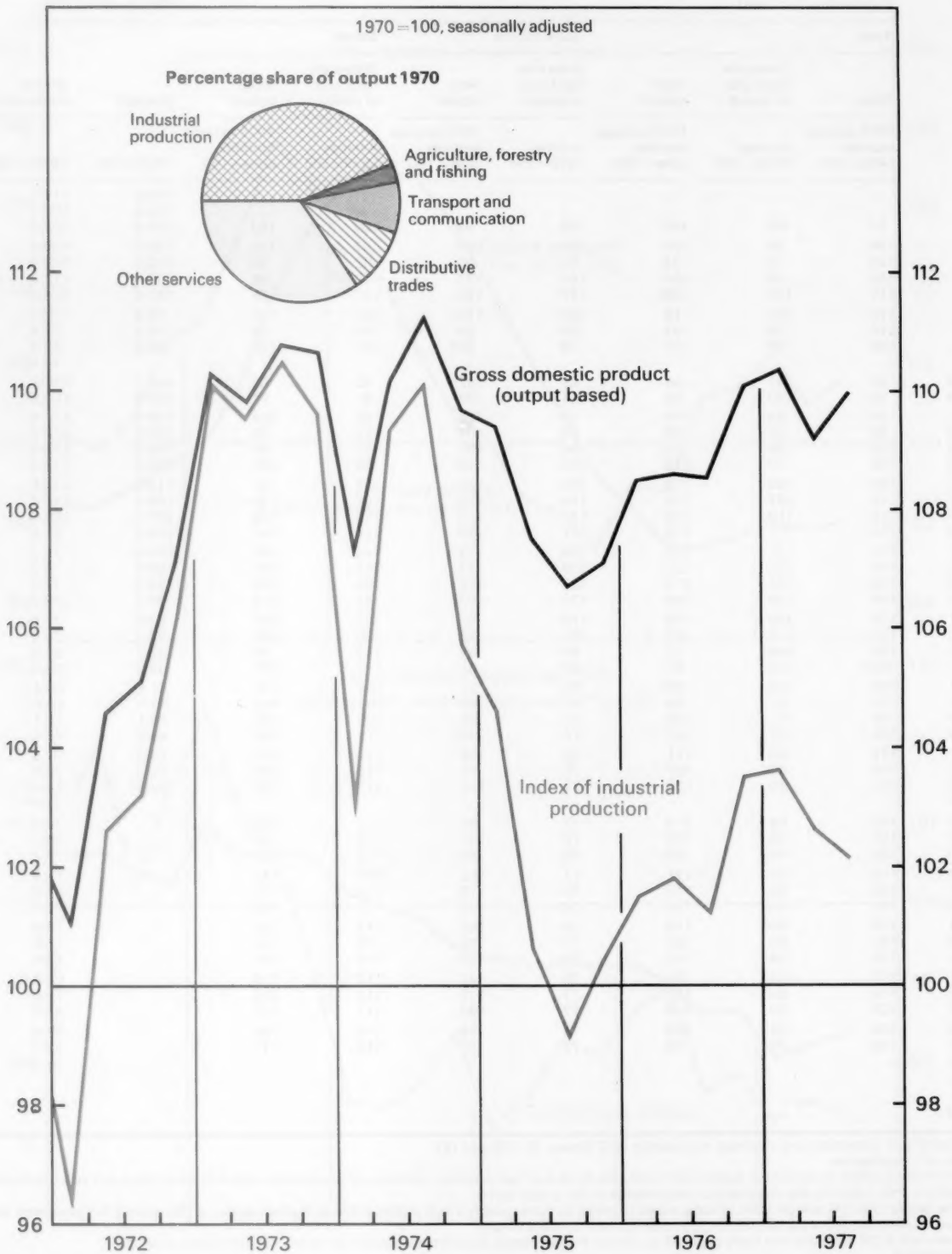
1970=100

	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1970 weights	*1,000*	*30*	*439*	*84*	*104*	*343*
1966	90·9	91	90·6	88	92	92
1967	92·5	94	91·7	89	94	95
1968	96·4	94	97·2	92	97	96
1969	98·3	95	99·9	96	98	97
1970	100·0	100	100·0	100	100	100
1971	101·5	106	100·1	101	101	103
1972	104·4	108	102·0	106	107	106
1973	110·4	111	109·9	114	114	109
1974	109·6	116	107·0	114	113	110
1975	107·7	111	101·2	115	110	113
1976	108·9	101	102·0	116	111	116
1971 *3*	101·8	108	99·9	102	102	104
4	102·5	108	100·2	104	103	105
1972 *1*	101·0	109	96·3	102	104	105
2	104·6	108	102·6	105	106	106
3	105·1	108	103·2	106	108	106
4	107·1	108	106·0	109	111	107
1973 *1*	110·3	109	110·1	112	115	109
2	109·8	109	109·5	114	112	108
3	110·8	113	110·5	115	114	109
4	110·7	114	109·6	116	115	109
1974 *1*	107·3	115	102·9	113	113	109
2	110·2	115	109·3	114	110	110
3	111·3	116	110·1	115	115	111
4	109·7	117	105·8	115	114	111
1975 *1*	109·4	115	104·6	116	114	112
2	107·5	112	100·6	115	111	113
3	106·7	109	99·1	115	108	114
4	107·1	106	100·4	113	108	114
1976 *1*	108·5	104	101·5	115	111	115
2	108·6	103	101·8	115	110	116
3	108·5	100	101·2	116	113	116
4	110·1	97	103·5	118	112	117
1977 *1*	110·4	99	103·6	121	110	118
2	109·2	103	102·6	120	108	116
3	110·0	110	102·1	121	111	117
4						
	Percentage change, quarter on corresponding quarter of previous year					
1975 *1*	*+2·0*	*+ 0·4*	*+1·7*	*+ 2·3*	*+0·8*	*+2·7*
2	*−2·5*	*− 2·3*	*−8·0*	*+ 1·0*	*+0·7*	*+2·7*
3	*−4·2*	*− 5·9*	*−9·9*	*− 0·5*	*−5·6*	*+2·9*
4	*−2·4*	*− 9·5*	*−5·1*	*− 1·3*	*−5·3*	*+2·3*
1976 *1*	*−0·8*	*− 9·3*	*−3·0*	*− 0·2*	*−2·4*	*+2·9*
2	*+1·0*	*− 7·8*	*+1·2*	*− 0·4*	*−0·9*	*+2·5*
3	*+1·7*	*− 7·9*	*+2·0*	*+ 1·0*	*+4·1*	*+1·6*
4	*+2·8*	*− 8·6*	*+3·1*	*+ 4·2*	*+3·8*	*+2·7*
1977 *1*	*+1·8*	*− 5·0*	*+2·1*	*+ 4·6*	*−0·6*	*+1·9*
2	*+0·6*	*− 0·9*	*+0·8*	*+ 4·4*	*−2·1*	*+0·3*
3	*+1·4*	*+ 9·7*	*+1·0*	*+ 4·0*	*−1·0*	*+1·4*
4						

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1*	108·4	1977	*1*	110·0
	2	108·4		*2*	108·8
	3	108·3		*3*	109·6
	4	109·8			

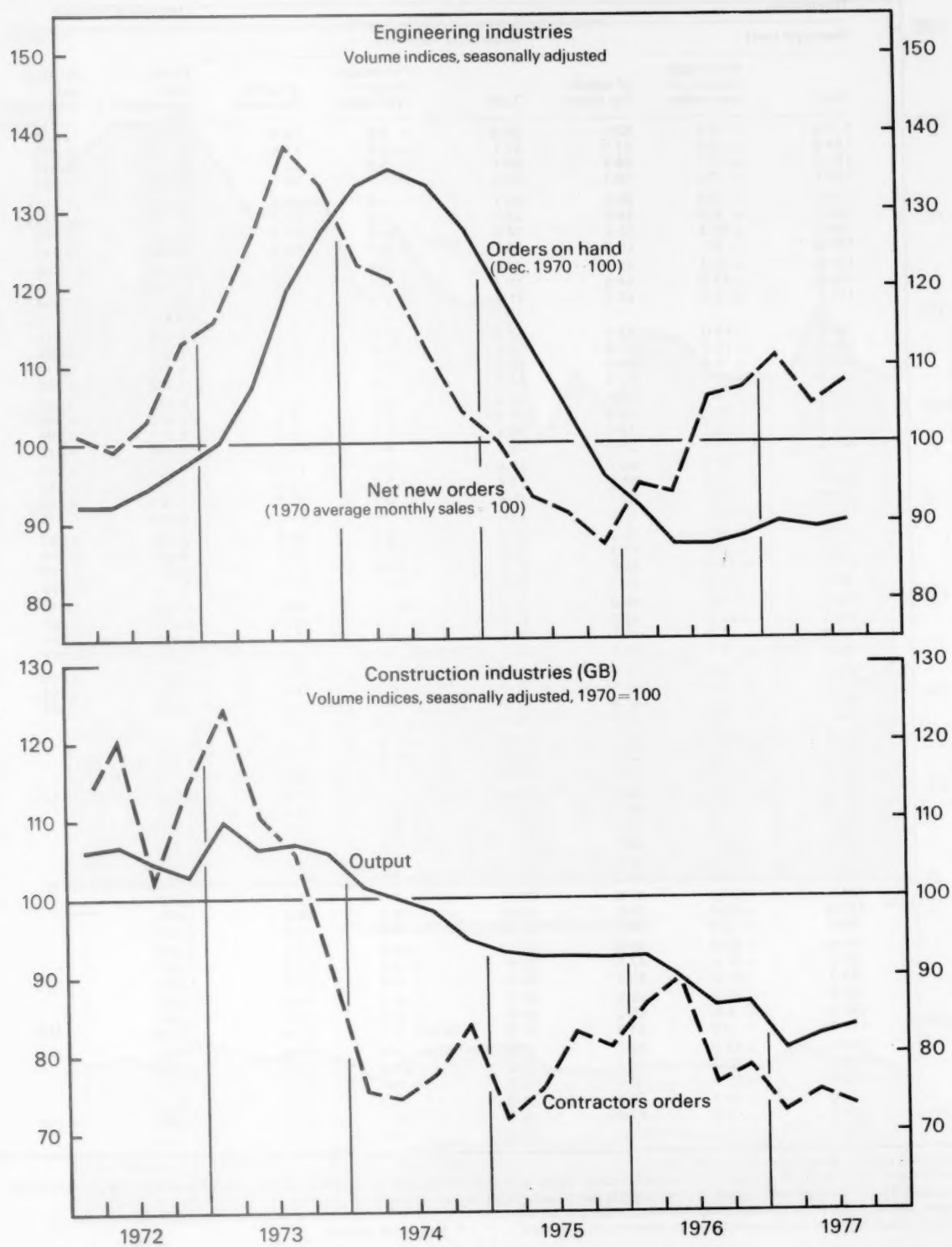

1970 = 100, seasonally adjusted
Percentage share of output 1970
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Gross domestic product (output based)
Index of industrial production
112
110
108
106
104
102
100
98
96
1972
1973
1974
1975
1976
1977

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3]	Orders received[4,5]
	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	Average 1970=100	1970 average monthly sales=100	1970=100	1970=100
1967	..	..	..	..	..	..	..	100·3	118·1
1968	..	..	..	..	..	..	..	102·4	108·7
1969	97	101	100	102	99	100	102	101·9	102·6
1970	100	99	100	100	100	97	101	100·0	100·0
1971	100	90	94	94	96	82	90	102·9	106·9
1972	100	97	104	101	107	88	96	105·0	112·9
1973	111	127	129†	127	129	127	128	107·3	108·2
1974	115	127	115	121†	110	141	128	98·4	77·7
1975	110	96	93	89	89	112	103	92·7	77·8
1976	105	88	101	76	93†	115	122	88·8	82·9
1977									76·0[6]
1971 *3*	99	91	99	93	102	88	89	102·1	104·5
4	98	90	96	94	100	82	84	105·0	110·6
1972 *1*	96	92	101	94	100	88	104	106·0	114·6
2	99	92	99	94	103	87	90	106·7	120·2
3	100	94	103	96	109	87	88	104·3	102·0
4	105	97	113	101	116	88	103	103·0	114·9
1973 *1*	108	100	116	104	120	91	106	110·0	124·5
2	110	107	126	110	126	101	128	106·4	110·7
3	113	119	138	121	138	115	138	107·0	106·0
4	114	127	133	127	130	128	140	105·9	91·6
1974 *1*	111	133	123	128	113	144	151	101·4	75·2
2	115	135	121	128	113	152	142	99·9	74·3
3	118	133	112	127	115	146	105	98·2	77·5
4	116	128	104	122	100	141	113	94·3	83·9
1975 *1*	118	120	100	113	97	134	107	93·0	71·6
2	110	112	93	105	88	128	107	92·7	75·5
3	109	104	91	98	90	119	94	92·7	82·9
4	106	96	87	89	81	112	104	92·3	81·0
1976 *1*	104	92	95†	85	91	106	105	92·5	86·4[7]
2	106	87	94	80†	89	102†	109	89·9	90·6[7]
3	106	87	106	79	98	106	128	86·1	76·1
4	105	88	107	76	93†	115	146	86·8	78·4
1977 *1*	107	90	111	78	105	117	127†	80·8	72·8
2	106	89	105	76	94	119	135	82·3	75·5
3	107	90	108	77	102	117	125	83·6[6]	74·4†
4									81·3[6]
1976 *O*	109	88	113	77	97	111	154	..	73·3
N	104	88	109	76	92	115	156	..	84·7
D	103	88	99	76	89	115	127	..	77·2
1977 *J*	112	89	121	77	112	117	145	..	77·3
F	109	90	112	78	112	116	113	..	62·9
M	101	90	100	78	92	117	123	..	78·2
A	108	90	110	78	103	117	129	..	70·8
M	102	90	103	77	88	119	144	..	73·0
J	108	89	101	76	90	119	131	..	82·6
J	109	88	101	75	92	118	126		62·6
A	106	90	118	77	115	118	125		73·0
S	107	90	106	77	100	117	122		87·5
O	109	89	106	76	98	118	129		68·3
N	100	89	99	76	92	118	117		82·7
D									92·9[6]
1978 *J*									
F									
M									

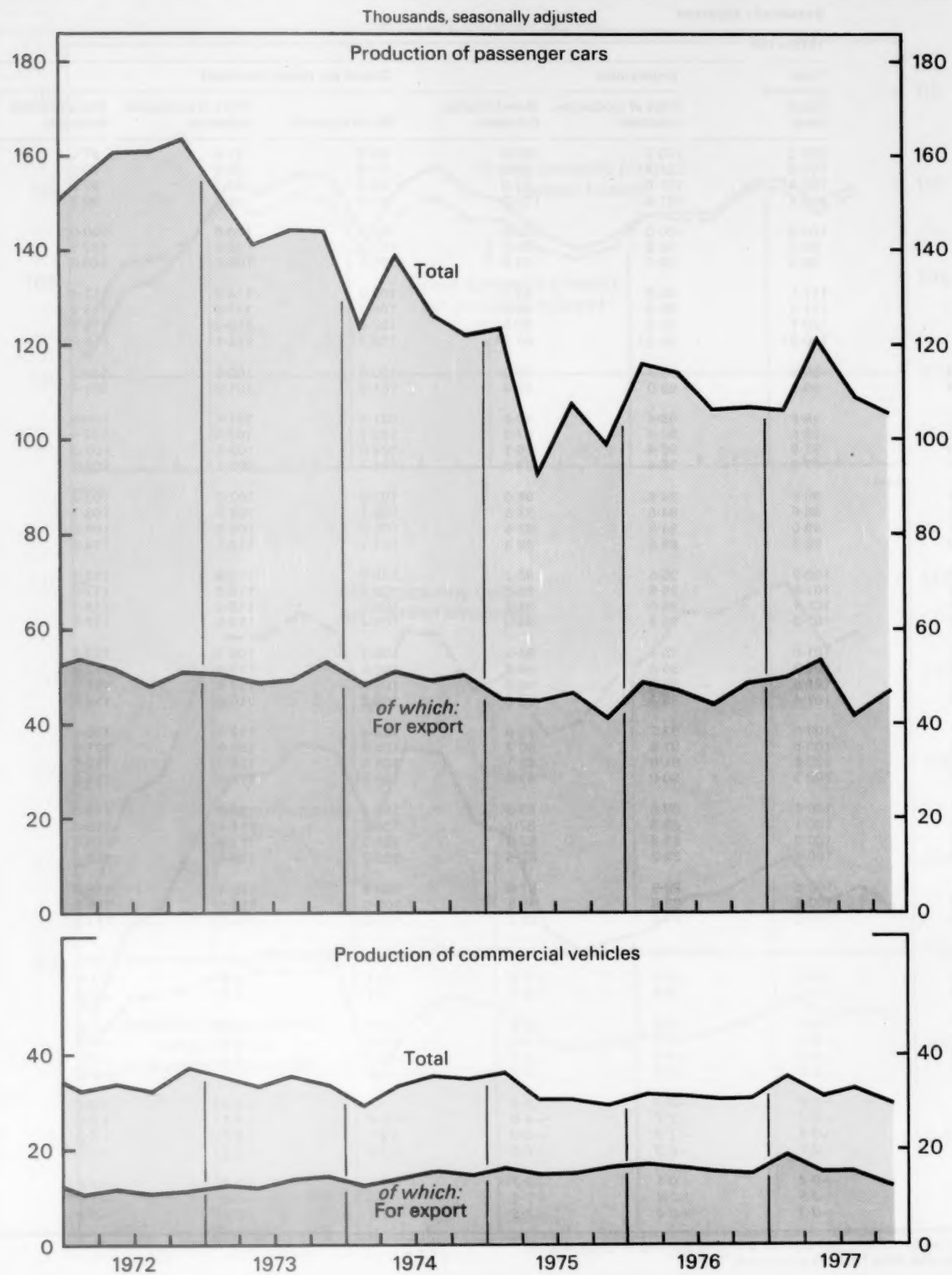
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] New orders from 3rd quarter 1974 include orders received by firms, mostly small, added to the statistical register in that period. An allowance has been made in the index calculation for this small element of discontinuity.
[5] From April 1976 the index has been adjusted to remove the estimated discontinuity caused by revision to estimation methods.
[6] Provisional.


Engineering industries
Volume indices, seasonally adjusted
Orders on hand
(Dec. 1970 = 100)
Net new orders
(1970 average monthly sales = 100)
150
140
130
120
110
100
90
80
Construction industries (GB)
Volume indices, seasonally adjusted, 1970 = 100
Output
Contractors orders
130
120
110
100
90
80
70
1972
1973
1974
1975
1976
1977

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1966	133·6	*− 6·9*	52·1	36·6	*− 3·6*	14·8	24,706	16 466
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6	24,279	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,277	16,835
1969	143·1	*− 7·2*	68·7	38·8	*+11·7*	16·1	26,846	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,780[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,174	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3	25,321	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,649	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977							20,414	
1972 *1*	154·8	*+11·0*	53·7	32·3	*−12·6*	11·0	5,228	3,933
2	160·8	*+10·4*	51·8	34·1	*−15·5*	12·0	6,519	4,043
3	161·0	*+ 9·2*	48·0	32·3	*−17·7*	10·7	6,732	4,275
4	163·8	*+10·7*	51·0	37·5	*+ 5·0*	11·6	6,875	4,499
1973 *1*	152·6	*− 1·4*	50·7	35·5	*+10·1*	12·6	6,671	4,667
2	141·2	*−12·2*	48·4	33·6	*− 1·2*	12·1	6,415	4,368
3	144·4	*−10·3*	49·4	35·8	*+11·1*	14·0	6,954	4,599
4	144·2	*−11·9*	53·2	33·9	*− 9·6*	14·3	6,649	4,811
1974 *1*	123·2	*−19·3*	48·1	29·5	*−17·0*	12·5	5,218	4,357
2	139·5	*− 1·2*	51·1	33·9	*+ 0·8*	14·0	5,784	4,560
3	126·5	*−12·4*	49·2	35·8	*− 0·1*	15·5	5,763	4,252
4	122·1	*−15·3*	50·3	35·0	*+ 3·3*	14·7	5,599	4,379
1975 *1*	123·5	*+ 0·2*	45·4	36·3	*+23·1*	16·2	6,102	4,267
2	92·2	*−33·9*	44·9	30·5	*−10·0*	14·8	4,661	3,695
3	107·7	*−14·9*	46·4	30·5	*−14·9*	15·1	4,231[5]	3,715[5]
4	99·2	*−18·8*	40·7	29·6	*−15·3*	16·1	4,719	3,769
1976 *1*	116·2	*− 5·9*	48·9	31·6	*−12·9*	16·9	5,480	4 076
2	114·4	*+24·0*	46·7	31·4	*+ 2·9*	16·2	5,731	3,887
3	106·4	*− 1·1*	44·1	30·4	*− 0·3*	15·4	5,375	3,785
4	107·4	*+ 8·3*	48·6	30·6	*+ 3·4*	14·7	5,650	4,056
1977 *1*	106·1	*− 8·7*	49·6	35·1	*+11·0*	18·6	5,417	3,750
2	121·6	*+ 6·3*	53·1	31·2	*− 0·7*	15·5	4,908	3,764
3	109·4	*+ 2·8*	41·4	32·8	*+ 8·1*	15·4	5,419	3,981
4	105·5	*− 1·8*	47·1	29·7	*− 3·0*	12·6		
1976 *J*	101·8	*−20·7*	43·9	29·9	*−21·6*	16·8	1,575	..
F	127·1	*− 4·9*	52·7	32·5	*−12·8*	17·1	1,731	..
M	119·8	*+10·5*	50·2	32·5	*− 3·1*	16·9	2,174[6]	..
A	111·3	*− 6·8*	46·5	30·4	*− 8·1*	15·9	1,764	..
M	119·8	*+81·0*	48·0	32·9	*+10·9*	16·8	1,840	..
J	112·1	*+22·9*	45·5	30·9	*+ 7·4*	15·8	2,127[6]	..
J	131·0	*+29·4*	48·8	33·1	*+11·9*	16·0	1,700	..
A	82·4	*−15·4*	39·3	27·3	*− 9·4*	14·4	1,603	..
S	105·9	*−14·8*	44·2	30·7	*− 3·1*	15·7	2,072[6]	..
O	111·5	*+20·2*	47·0	30·9	*+ 3·0*	15·4	1,718	..
N	111·8	*+10·4*	50·9	33·6	*+13·7*	16·0	1,849	..
D	99·0	*− 4·4*	48·0	27·4	*− 6·6*	12·8	2,083[6]	
1977 *J*	124·8	*+22·6*	59·9	37·1	*+24·0*	19·3	1,803	..
F	99·2	*−21·9*	47·5	33·6	*+ 3·6*	17·8	1,631	..
M	94·3	*−21·3*	42·3	34·5	*+ 6·4*	18·6	1,983[6]	..
A	133·8	*+20·3*	59·6	30·7	*+ 0·7*	16·5	1,453	..
M	129·3	*+ 8·0*	56·2	35·0	*+ 6·4*	16·9	1,536	..
J	101·6	*− 9·4*	44·3	27·9	*− 9·7*	13·0	1,919[6]	..
J	106·3	*−18·8*	39·7	32·8	*− 0·8*	15·5	1,703	..
A	99·4	*+20·7*	34·2	33·2	*+21·6*	15·5	1,996[6]	
S	122·5	*+15·7*	50·8	32·5	*+ 5·6*	15·2	1,720	
O	100·2	*−10·2*	47·6	31·3	*+ 1·3*	13·3	1,506	
N	102·7	*− 8·2*	47·5	28·8	*−14·3*	11·5	1,886[6]	
D	113·7	*+14·8*		29·0	*+ 6·0*	13·1		

[1] Monthly averages or standardised calendar months.
[2] From January 1974 the totals are for 'useable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
180
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1972
1973
1974
1975
1976
1977

34

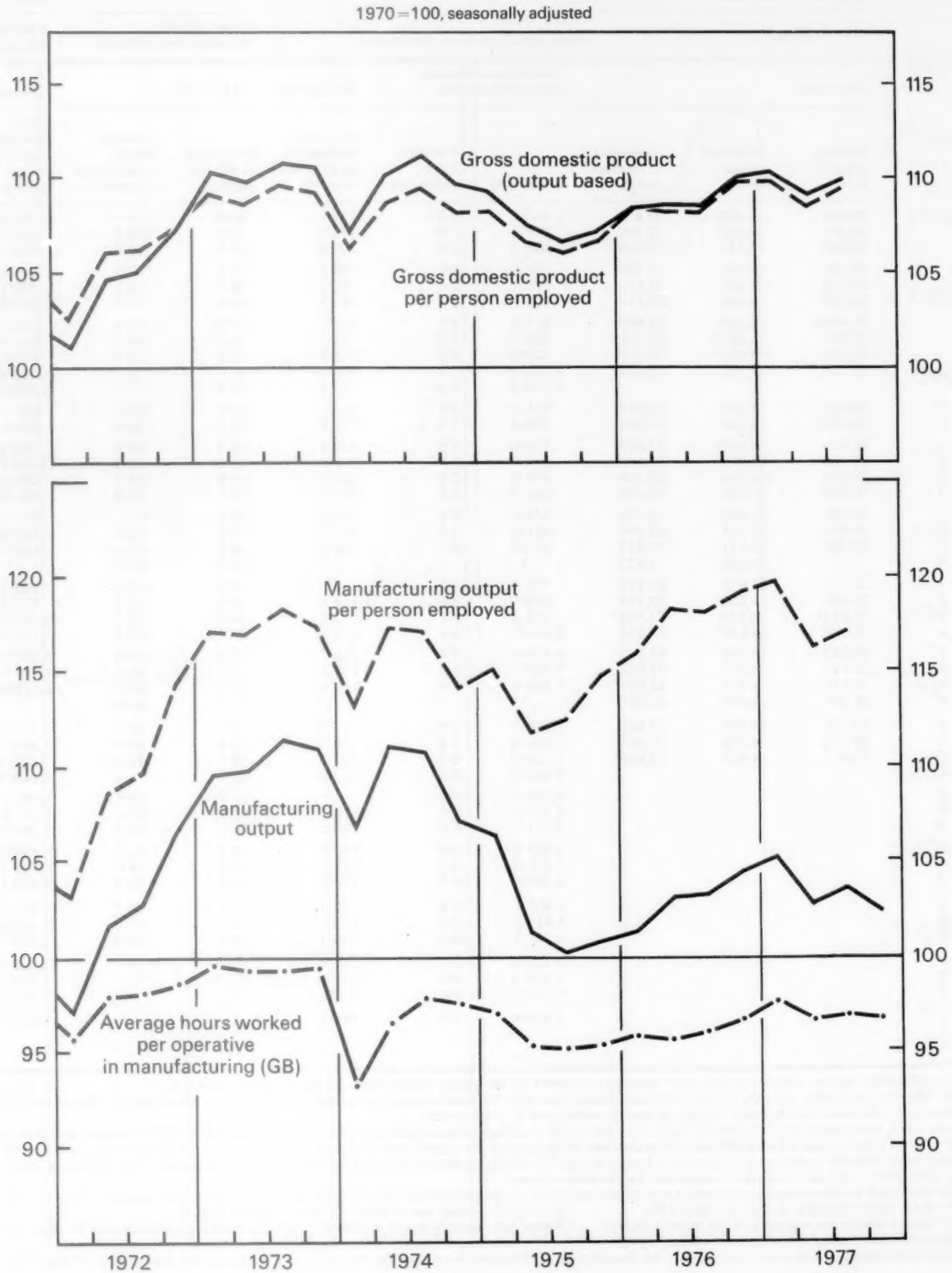
Output per person employed

Seasonally adjusted

1970=100

	Employment			Output per person employed[1]		
	Total employed labour force	Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1966	102·2	103·7	102·5	89·0	87·4	87·0
1967	100·9	101·9	99·6	91·6	90·0	90·2
1968	100·5	101·6	99·0	95·9	95·7	97·0
1969	100·4	101·4	100·3	97·9	98·5	99·3
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	98·3	96·9	96·7	103·3	103·5	102·8
1972	99·0	94·7	93·6	105·5	108·2	109·0
1973	101·1	95·8	94·1	109·2	114·7	117·4
1974	101·3	95·5	94·3	108·2	111·9	115·5
1975	100·7	91·5	90·1	107·0	110·9†	113·4†
1976	100·2[2]	89·3[2]	87·3[2]	108·7[2]	114·1[2]	118·0[2]
1970 *3*	99·9	99·7	99·8	100·5	100·5	100·2
4	99·7	99·0	99·4	101·0	101·6	101·4
1971 *1*	98·6	98·4	98·6	101·6	101·5	100·6
2	98·6	97·4	97·3	102·7	103·5†	102·9
3	97·9	96·4	96·1	104·0	103·9	103·3
4	97·9	95·4	94·9	104·7	105·1	104·3
1972 *1*	98·5	94·8	94·0	102·5	102·3	103·2
2	98·6	94·6	93·6	106·1	108·9	108·7
3	99·0	94·5	93·5	106·2	109·6	109·9
4	99·7	94·8	93·3	107·4	112·1	114·4
1973 *1*	100·9	95·5	93·7	109·3	114·9	117·1
2	101·0	95·8	94·0	108·7	114·3	117·0
3	101·1	95·9	94·2	109·6	115·3	118·4
4	101·2	95·9	94·5	109·4	114·5	117·5
1974 *1*	101·0	95·7	94·3	106·2	108·7	113·1
2	101·3	95·6	94·5	108·8	113·9	117·5
3	101·6	95·3	94·5	109·5	114·4	117·2
4	101·4	95·3	93·8	108·2	110·8	114·1
1975 *1*	100·9	93·2	92·5	108·4	112·3	115·1
2	100·8	91·8	90·7	106·6	109·9	111·7
3[2]	100·6	91·0	89·1	106·1	109·7	112·5
4	100·3	90·0	87·9	106·8†	111·8	114·8
1976 *1*	100·1	89·6	87·3	108·4	112·8	116·0
2	100·1	89·3	87·1	108·5	114·4	118·4
3	100·2	89·2	87·3	108·3	113·8	118·3
4	100·4	89·2	87·5	109·7	115·4	119·3
1977 *1*	100·5	89·5	87·9	109·9	115·4	119·8
2	100·6	89·8	88·3	108·5	113·5	116·3
3	100·5	89·6	88·3	109·5	114·5	117·2
	Percentage change, quarter on corresponding quarter of previous year					
1974 *3*	*+0·5*	*−0·6*	*+0·3*	*−0·1*	*−0·8*	*−1·0*
4	*+0·2*	*−0·6*	*−0·7*	*−1·1*	*−3·2*	*−2·9*
1975 *1*	*−0·1*	*−2·6*	*−1·9*	*+2·1*	*+3·3†*	*+1·8*
2	*−0·5*	*−4·0*	*−4·0*	*−2·0*	*−3·5*	*−4·9*
3	*−1·0*	*−4·5*	*−5·7*	*−3·1*	*−4·1*	*−4·0*
4	*−1·0*	*−5·6*	*−6·3*	*−1·8*	*+0·9*	*+0·6*
1976 *1*	*−0·8*	*−3·9*	*−5·6*	*—*	*+0·4*	*+0·8*
2	*−0·7*	*−2·7*	*−4·0*	*+1·8*	*+4·1*	*+6·0*
3	*−0·4*	*−2·0*	*−2·0*	*+2·1*	*+3·7*	*+5·2*
4	*+0·1*	*−0·9*	*−0·5*	*+3·3*	*+3·2*	*+3·9*
1977 *1*	*+0·4*	*−0·1*	*+0·7*	*+1·4*	*+2·3*	*+3·2*
2	*+0·5*	*+0·6*	*+1·4*	*—*	*−0·8*	*−1·8*
3	*+0·3*	*+0·4*	*+0·9*	*+1·1*	*+0·6*	*−0·9*

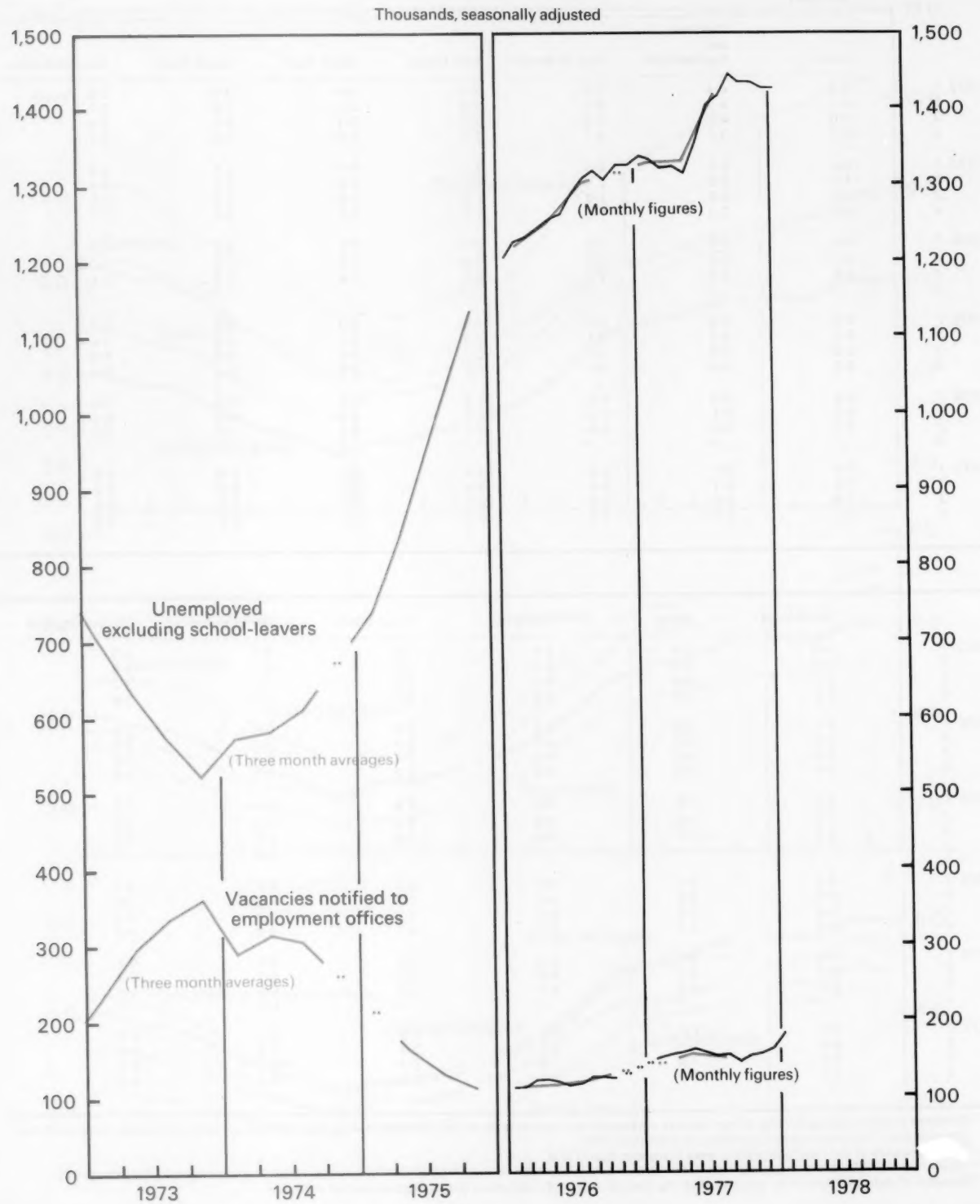
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1970 = 100, seasonally adjusted
115
110
105
100
Gross domestic product
(output based)
Gross domestic product
per person employed
120
115
110
105
100
95
90
Manufacturing output
per person employed
Manufacturing
output
Average hours worked
per operative
in manufacturing (GB)
1972
1973
1974
1975
1976
1977

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1970=100		Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative	Total unemployed including school leavers
1967	25,526	24,980	22,801	547·2	*2·3*	175·1	99·9	100·1	556·7
1968	25,412	24,826	22,640	574·4	*2·4*	189·5	99·0	100·9	583·3
1969	25,406	24,841	22,608	566·3	*2·4*	202·0	100·3	101·0	576·2
1970	25,336	24,732	22,458	602·0	*2·6*	188·3	100·2	100·0	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	96·8	98·1	792·1
1972	25,243	24,384	22,114	854·9	*3·7*	147·3	93·4	97·6	875·6
1973	25,600†	24,969	22,661	611·0	*2·6*	307·0	94·0†	99·4	618·8
1974	25,657	25,061†	22,791†	599·7[6]	*2·6*[5]	301·6[5]	94·6	96·7	614·9[5]
1975	25,849	24,932	22,710	929·0	*3·9*	147·9[5]	90·0	95·7	977·6
1976	26,141	24,761	22,539	1,269·8[5]	*5·3*[5]	120·3[6]	87·1	96·0	1,358·8[5]
1977				1,378·2	*5·8*	155·3[5]	88·4		1,483·6
1972 *3*	25,348	24,496	22,211	841·0	*3·7*	149·2	93·3	98·2	851·7
4	25,432†	24,658	22,363	789·4	*3·4*	178·5	93·2	98·6	804·4
1973 *1*	25.639	24,959†	22,657†	705·6	*3·0*	233·5	93·9	99·6	758·9
2	25,600	24,969	22,661	634·7	*2·7*	296·5	94·0†	99·3	625·7
3	25,538	25,004	22,704	578·8	*2·5*	336·0	94·0	99·3	568·5
4	25,539	25,029	22,738	524·7	*2·3*	360·7	94·7	99·5	521·9
1974 *1*	25,580	24,984	22,704	574·5	*2·5*	292·6	94·2	93·1	624·9
2	25,657	25,061	22,791	581·6	*2·5*	317·9	94·6	98·5	570·2
3	25,755	25,141	22,879	613·0	*2·6*	308·2	94·3	97·8	628·3
4	..[7]	25,075	22,827	..[7]	..[7]	..[7]	93·3	97·5	..[7]
1975 *1*	25,757	24,965	22,732	735·3	*3·1*	..[7]	92·0	97·0	788·7
2	25,849	24,932	22,710	852·7	*3·6*	164·1	90·0	95·2	853·8
3	25,977[8]	24,879	22,653[8]	998·2	*4·2*	132·8	88·6[8]	95·1	1,095·5
4	26,023	24,820	22,595	1,131·1	*4·8*	113·5	87·7	95·3	1,172·3
1976 *1*	26,043	24,758	22,535	1,220·3	*5·1*	116·7	87·1	95·8	1,297·5
2	26,141	24,761	22,539	1,252·1	*5·2*	119·4	87·1	95·6	1,294·9
3	26,175	24,775	22,501	1,305·5	*5·5*	123·6	87·3	96·0	1,473·7
4	26,201	24,826	22,606	..[9]	..[9]	..[9]	87·6	96·6	..[9]
1977 *1*	26,236	24,848	22,632	1,330·2	*5·6*	..[9]	88·0	97·7	1,417·8
2	26,373	24,874	22,661	1,330·5	*5·6*	159·2	88·4	96·7	1,394·7
3	26,412	24,863	22,649	1,420·8	*6·0*	150·5	88·1	96·9	1,622·4
4				1,431·5	*6·0*	157·2	87·9		1,499·4
1977 *J*	..	..	..	1,338·2	*5·6*	..[9]	87·7	97·5	1,448·2
F	..	..	..	1,331·4	*5·6*	150·5	87·9	98·0	1,421·8
M	..	..	..	1,321·1	*5·5*	157·3	88·0	97·6	1,383·5
A	..	..	..	1,322·6	*5·5*	158·5	88·2	96·7	1,392·3
M	..	..	..	1,315·9	*5·5*	161·2	88·3	96·9	1,341·7
J	..	..	..	1,352·9	*5·7*	157·8	88·4	96·6	1,450·1
J	..	..	..	1,402·2	*5·9*	152·7	88·4	96·7	1 622·4
A	..	..	..	1,413·8	*5·9*	154·1	88·2	97·0	1,635·8
S				1,446·4	*6·1*	144·7	88·1	96·3	1,609·1
O				1,433·4	*6·0*	153·4	88·0	96·7	1,518·3
N	..	..	..	1,432·9	*6·0*	155·6	87·9		1,499·1
D				1,428·1	*6·0*	162·7	87·9		1,480·8
1978 *J*				1,428·4	*6·0*	182·8			1,548·5
F									
M									

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1977, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1976.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.
[10] Estimates.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed excluding school-leavers
(Three month averages)
Vacancies notified to employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1973
1974
1975
1976
1977
1978

Regional unemployment rates[1]

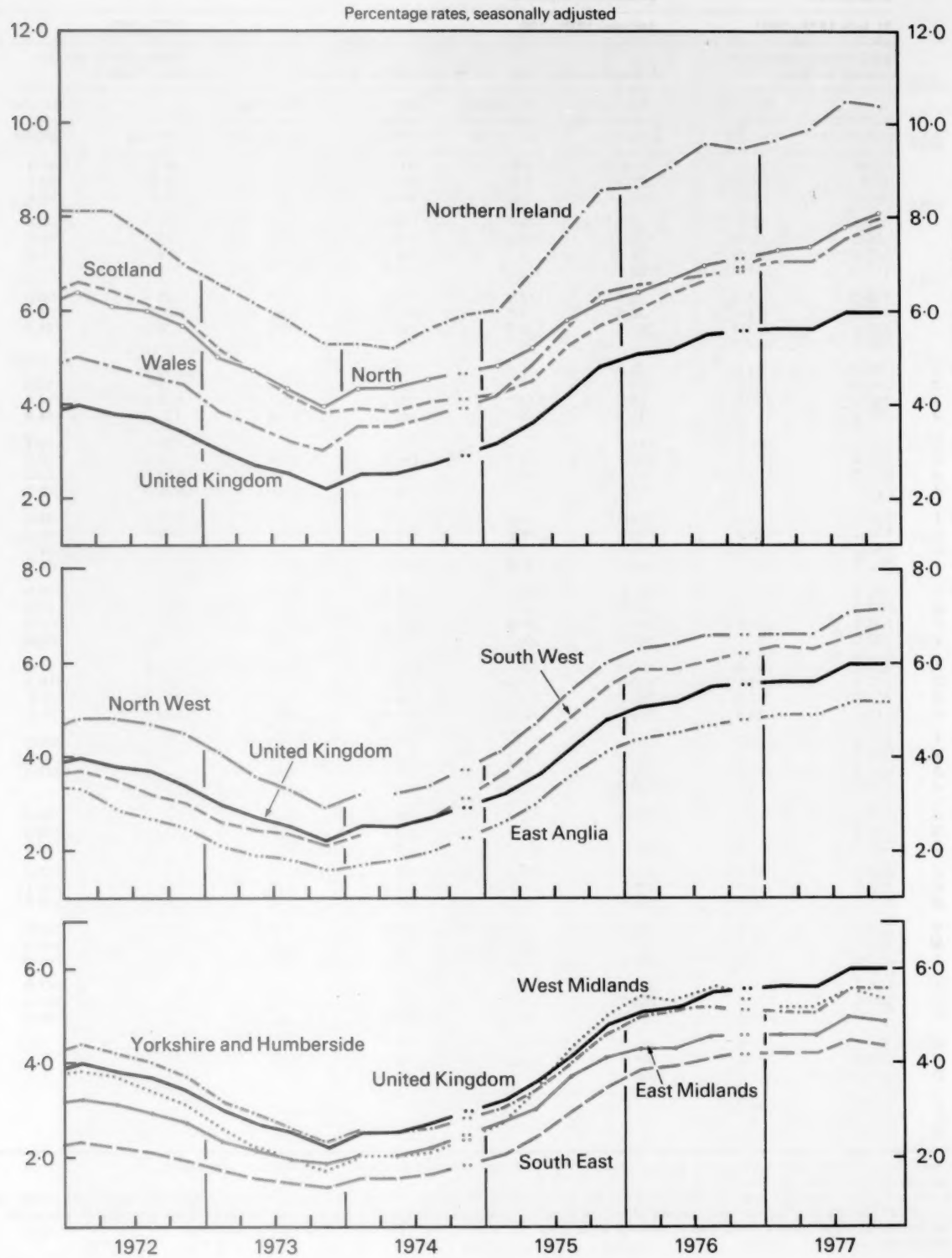
Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1972 *1*	6·4	4·4	3·2	3·3	2·3	3·7	3·8
2	6·1	4·2	3·1	2·9	2·2	3·5	3·7
3	6·0	4·0	2·9	2·7	2·1	3·2	3·4
4	5·7	3·7	2·7	2·5	1·9	3·0	3·1
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·4	3·1	3·0	2·4	4·2	3·4
3	5·8	4·0	3·7	3·6	2·9	4·8	4·3
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	4·9	4·3	4·4	3·8	5·9	5·4
2	6·7	5·1	4·3	4·5	3·9	5·9	5·3
3	7·0	5·2	4·6	4·7	4·1	6·1	5·5
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·3	5·1	4·6	4·9	4·2	6·4	5·2
2	7·4	5·1	4·6	4·9	4·2	6·3	5·2
3	7·8	5·6	5·0	5·2	4·5	6·6	5·6
4	8·1	5·6	4·9	5·2	4·4	6·8	5·4

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1972 *1*	4·8	5·0	6·6	3·9	8·1	4·0
2	4·8	4·8	6·4	3·7	8·1	3·8
3	4·7	4·6	6·1	3·6	7·6	3·7
4	4·5	4·4	5·9	3·4	7·0	3·4
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·0	3·1
2	4·7	4·8	4·5	3·5	6·8	3·6
3	5·4	5·6	5·2	4·2	7·7	4·2
4	6·0	6·4	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·7	5·1
2	6·4	6·7	6·4	5·2	9·1	5·2
3	6·6	6·8	6·7	5·4	9·6	5·5
4	..[4]	..[4]	..[4]	..[4]	9·5	..[4]
1977 *1*	6·6	7·1	7·3	5·5	9·7	5·6
2	6·6	7·1	7·4	5·5	9·9	5·6
3	7·1	7·6	7·8	5·8	10·5	6·0
4	7·2	7·9	8·0	5·9	10·4	6·0

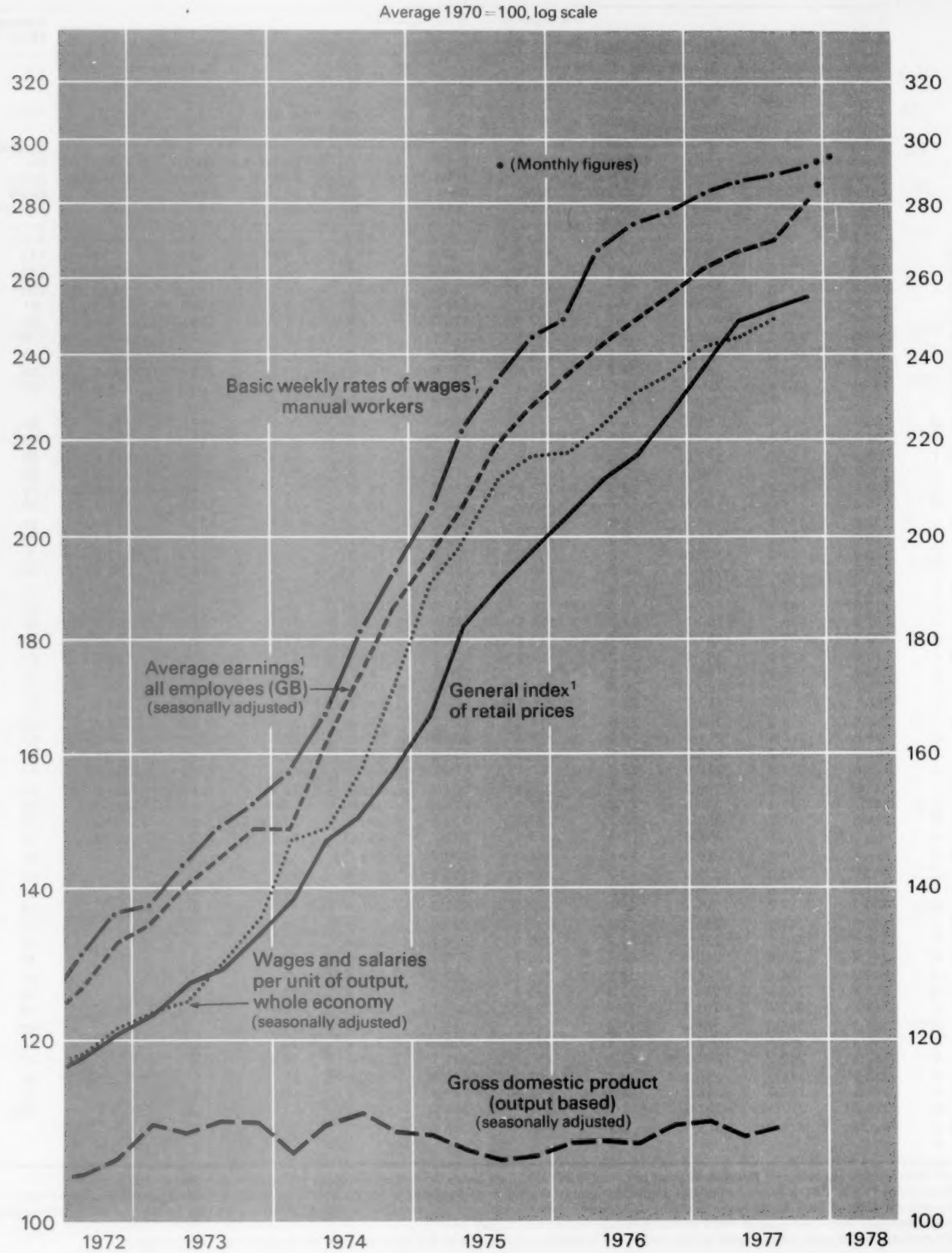
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1976.
[2] The boundaries of the standard regions were revised in April 1974.
[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
Scotland
Wales
North
United Kingdom
South West
North West
United Kingdom
East Anglia
West Midlands
Yorkshire and Humberside
United Kingdom
East Midlands
South East
1972
1973
1974
1975
1976
1977

Wage rates and earnings

	Unadjusted		Seasonally adjusted					
	31 July 1972=100[1]		January 1970=100				1970=100	
	Basic weekly wage rates (manual workers)		Average earnings (GB) (wages and salaries combined)				Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	All industries and services covered§	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1967	63·9	63·6	81·8	*3·6*	81·1	*3·6*	86·1	82·9
1968	68·1	68·4	88·2	*7·8*	87·8	*8·2*	88·2	83·1
1969	71·7	72·1	95·2	*7·8*	94·9	*8·1*	91·1	88·4
1970	78·8	79·4	106·7	*12·1*	107·0	*12·7*	100·0	100·0
1971	89·0	89·3	118·7	*11·3*	118·9	*11·2*	108·8	108·8
1972	101·3	101·5	134·1[2]	.. [3]	134·2[2]	.. [3]	118·3	113·4
1973	115·2	114·6	152·1	.. [3]	151·5	.. [3]	128·2	121·2
1974	138·0	134·3	179·1	*17·8*	177·5	*17·1*	156·4	150·0
1975	178·7	174·4	226·6	*26·6*	223·9	*26·2*	204·6	195·7
1976	213·2	209·0	261·9	*15·6*	260·8	*16·5*	226·5	221·1
1977	227·1	218·7						
1972 *1*	96·0	95·5	126·4[3]	.. [3]	126·8[3]	.. [3]	116·4	.. [3]
2	98·1	98·2	130·7	*11·6*	131·4	*11·9*	117·0	112·8
3	103·4	104·6	134·9	*12·1*	135·7	*12·7*	118·1	114·6
4	107·9	107·6	141·5	*15·5*	140·5	*14·4*	121·7	114·4
1973 *1*	108·7	108·1	144·4	.. [3]	143·7	.. [3]	123·4	114·7
2	113·4	111·7	150·2	*14·9*	149·6	*13·8*	124·9	119·2
3	118·1	117·8	154·5	*14·5*	153·6	*13·2*	129·6	122·3
4	120·6	120·7	159·2	*12·5*	159·1	*13·3*	135·0	128·7
1974 *1*	124·3	122·7	157·8[4]	*9·2*[4]	157·4[4]	*9·5*[4]	147·6	133·8
2	131·7	128·0	172·5	*14·9*	171·2	*14·5*	149·0	142·7
3	143·2	139·4	185·1	*19·8*	183·9	*19·7*	157·1	154·1
4	152·7	147·1	199·5	*25·3*	197·4	*24·1*	171·8	169·7
1975 *1*	162·7	155·1	209·6	*32·9*	207·5	*31·8*	190·9	179·0
2	175·3	171·9	220·1	*27·6*	216·9	*26·7*	198·4	192·6
3	184·3	180·5	234·0	*26·4*	230·6	*25·4*	212·3	202·8
4	192·6	190·1	242·8	*21·7*	240·6	*21·9*	217·0	208·4
1976 *1*	204·2	201·5	250·9	*19·7*	249·1	*20·1*	217·3	214·4
2	211·5	209·0	258·6	*17·5*	258·6	*19·2*	223·1	218·2
3	217·8	212·5	265·5	*13·5*	264·4	*14·7*	230·7	224·1
4	219·3	213·1	272·7	*12·3*	271·4	*12·8*	235·0	227·8
1977 *1*	223·3	215·7	280·2	*11·7*	278·5	*11·8*†	242·5	234·0
2	225·9	217·9	285·2	*10·3*	284·5	*10·0*	244·2	243·6
3	228·5	219·9	228·4	*8·7*	287·2	*8·6*	249·3	247·2
4	230·5	221·2	300·3[5]	*10·1*[5]	300·2[5]	*10·6*[5]		
1976 *O*	218·2	212·7	269·0	*12·4*	268·4	*13·3*	..	225·0
N	219·4	213·3	272·2	*12·9*	269·4	*12·8*	..	228·0
D	220·2	213·3	277·1	*11·7*	276·3	*12·2*	..	230·1
1977 *J*	222·5	215·5	278·1	*12·0*	276·5	*12·3*	..	232·2
F	223·5	215·7	278·7	*11·2*	277·4	*11·8*	..	233·1
M	223·9	216·0	283·9	*11·6*	281·8	*11·5*	..	236·6
A	224·7	216·8	283·1	*11·0*	282·8	*11·1*	..	239·5
M	225·5	218·0	286·2	*10·2*	285·7	*10·0*	..	245·3
J	227·4	218·9	286·2	*9·6*	285·0	*9·0*	..	245·9
J	228·2	219·3	286·5	*8·9*	285·6	*8·9*	..	247·6
A	228·6	220·0	288·7	*8·0*	287·1	*8·2*		245·4
S	228·8	220·5	290·1	*9·0*	288·9	*8·8*		248·5
O	229·2	220·6	294·6	*9·5*	293·7	*9·4*		
N	230·9	221·5	300·1	*10·3*	299·8	*11·3*		
D	231·5	221·5	306·1[5]	*10·5*[5]	307·0[5]	*11·1*[5]		
1978 *J*	232·8	222·6						
F								
M								

[1] Prior to July 1972 the series was based on 31 January 1956=100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



[1] Quarterly average of monthly figures.

Prices

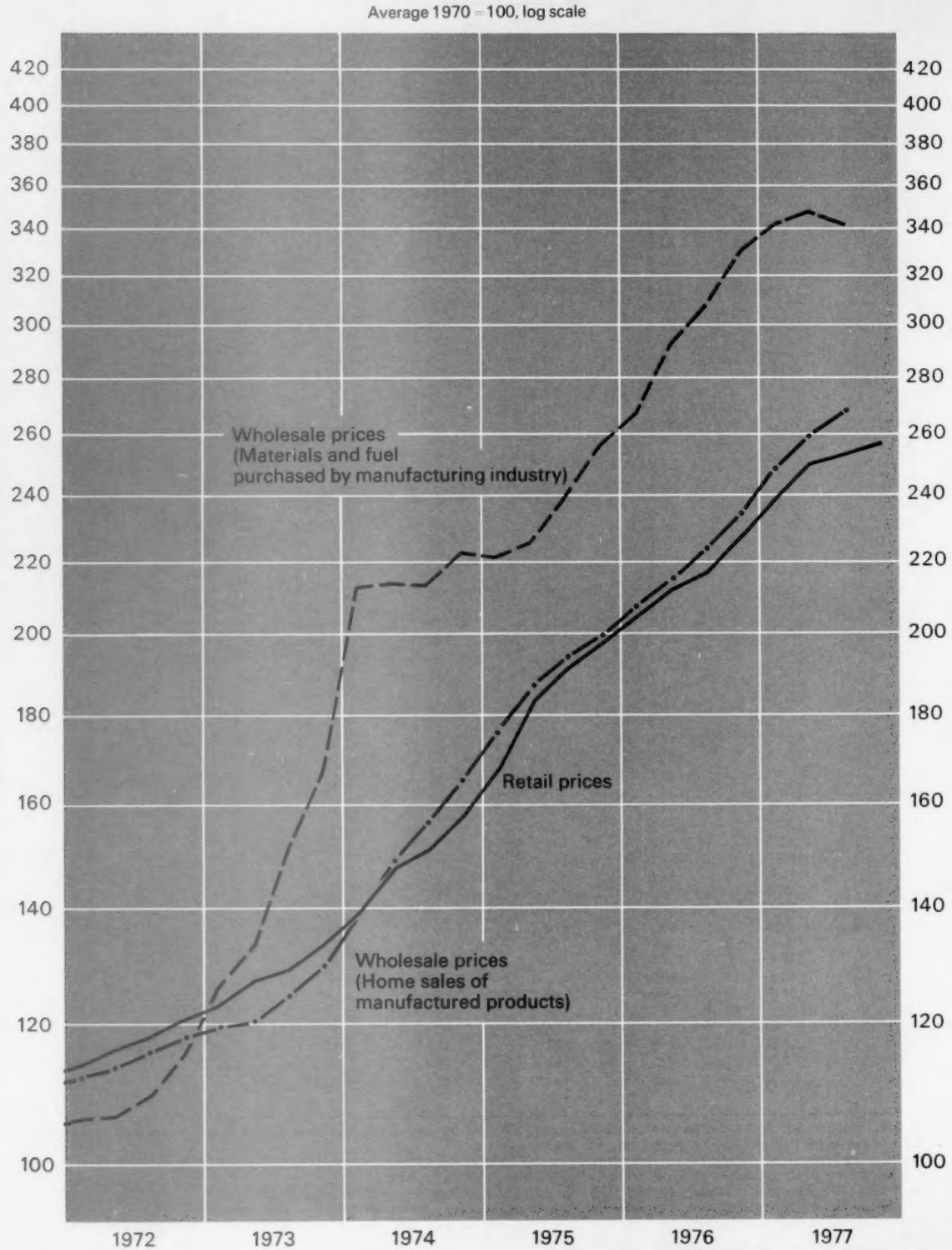
Unadjusted

Average 1970=100

Average 1970=100p

	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
		Output					All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry[2]	All manufactured products — Home sales[3]	All items — Index	All items — *Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1967	83·8	86·5	85·2	*2·5*	84·6	85·4	85·2	*2·4*	84·9	85·0	117
1968	91·5	89·9	89·2	*4·7*	87·9	89·6	89·3	*4·8*	88·8	88·8	112
1969	95·0	93·4	94·0	*5·4*	93·5	94·2	93·9	*5·2*	93·5	93·7	106
1970	100·0	100·0	100·0	*6·4*	100·0	100·0	100·0	*6·5*	100·0	100·0	100
1971	104·6	109·0	109·4	*9·4*	111·1	108·9	109·5	*9·5*	110·1	109·9	91
1972	109·2	114·8	117·2	*7·1*	120·9	116·0	117·0	*6·9*	118·5	118·0	85
1973	144·5	123·2	128·0	*9·2*	139·1	124·4	126·7	*8·3*	130·0	130·1	78
1974	215·3	152·0	148·5	*16·1*	164·2	143·4	147·0	*16·0*	150·9	151·1	67
1975	235·4	188·7	184·4	*24·2*	206·1	177·5	182·6	*24·2*	189·8	189·4	54
1976	299·0	219·6	215·0	*16·5*	247·4	205·1	211·4	*15·8*	226·2	225·0	47
1977			249·0	*15·8*	294·4	253·6	245·2	*16·0*			
1971 *3*	105·6	110·3	110·8	*10·1*	112·8	110·1	110·9	*10·0*	111·6	111·3	90
4	104·8	110·8	112·2	*9·2*	114·4	111·5	112·3	*8·9*	113·6	113·0	89
1972 *1*	105·6	112·1	113·9	*8·0*	117·8	112·6	113·9	*7·9*	115·9	115·3	88
2	106·1	113·5	116·0	*6·2*	119·0	115·0	115·9	*6·3*	117·3	116·7	86
3	109·4	115·6	118·0	*6·5*	122·3	116·5	117·8	*6·2*	119·1	118·8	85
4	115·6	118·0	120·8	*7·7*	124·7	119·6	120·7	*7·4*	122·0	121·4	83
1973 *1*	126·0	119·5	123·0	*8·0*	131·1	120·3	122·2	*7·3*	125·0	124·9	81
2	133·3	120·1	126·9	*9·3*	137·4	123·5	125·2	*8·1*	129·0	129·1	79
3	150·9	124·2	128·8	*9·2*	139·8	125·3	127·7	*8·5*	130·2	130·4	78
4	167·6	129·1	133·2	*10·3*	148·1	128·5	131·8	*9·2*	135·7	135·9	75
1974 *1*	212·5	138·3	138·8	*12·9*	156·2	133·3	137·2	*12·3*	142·2	142·2	72
2	213·7	148·9	147·0	*15·9*	161·7	142·2	145·3	*16·0*	148·0	148·8	68
3	212·9	156·1	150·7	*17·0*	164·5	146·1	149·4	*17·0*	152·7	152·9	66
4	222·1	164·9	157·5	*18·2*	174·3	152·0	156·1	*18·5*	160·7	160·5	64
1975 *1*	220·9	176·0	167·0	*20·3*	188·5	160·2	165·6	*20·7*	170·6	170·3	60
2	225·6	186·3	182·7	*24·3*	205·9	175·4	180·7	*24·4*	188·9	188·5	55
3	239·3	193·4	190·7	*26·5*	211·3	184·0	188·7	*26·3*	195·8	195·7	52
4	256·1	199·1	197·3	*25·3*	218·7	190·3	195·2	*25·0*	203·9	203·1	51
1976 *1*	266·5	206·9	204·5	*22·5*	234·2	195·3	200·9	*21·3*	214·3	213·2	49
2	292·6	214·4	211·9	*16·0*	242·6	202·6	207·9	*15·1*	222·7	221·3	47
3	306·8	223·2	216·8	*13·7*	245·5	207·8	214·0	*13·4*	227·0	225·8	46
4	329·9	233·9	226·8	*15·0*	267·1	214·7	222·6	*14·0*	240·9	239·5	44
1977 *1*	341·5	248·0	238·2	*16·5*	285·7	224·3	233·1	*16·1*	251·8	251·7	42
2	347·7	259·2	248·8	*17·4*	295·5	235·0	243·9	*17·3*	262·9	262·2	40
3	340·5[5]	267·7[5]	252·7	*16·5*	297·2	239·6	249·8	*16·7*	268·8	266·5	40
4			256·4	*13·0*	299·0	243·7	254·2	*14·2*	273·2	270·6	39
1976 *S*	314·4	226·3	219·7	*14·3*	254·3	209·2	216·1	*13·6*	..	..	46
O	327·7	230·0	223·7	*14·7*	261·9	212·2	219·9	*14·0*	..	..	45
N	331·8	234·6	226·8	*15·0*	267·1	214·8	222·6	*14·0*	..	..	44
D	330·2	237·2	229·8	*15·1*	272·4	217·2	225·3	*14·2*			44
1977 *J*	337·8	244·9	235·9	*16·6*	283·2	222·0	230·9	*15·8*	..	..	42
F	339·5	248·2	238·2	*16·2*	285·4	224·4	233·0	*15·8*	..	..	42
M	347·2	250·8	240·5	*16·7*	288·4	226·4	235·4	*16·6*	..	..	42
A	349·7	255·4	246·6	*17·5*	293·3	232·9	241·4	*17·4*	..	..	41
M	348·3	259·8	248·6	*17·1*	293·7	235·1	243·9	*17·1*	..	..	40
J	345·2	262·4	251·1	*17·4*	299·6	237·1	246·4	*17·3*	..	..	40
J	344·5	265·8	251·4	*17·6*	297·0	238·1	247·9	*17·0*	..	..	40
A	338·8	268·1	252·7	*16·5*	296·8	239·6	249·8	*16·7*	..	..	40
S	338·1	269·2	254·1	*15·6*	297·7	241·1	251·6	*16·4*	..	..	39
O	333·8	271·0	255·1	*14·1*	297·4	242·5	253·0	*15·0*	..	..	39
N	329·9	272·0	256·3	*13·0*	288·4	243·8	254·3	*14·2*	..	..	39
D	328·7[5]	273·3[5]	257·8	*12·1*	301·3	244·7	255·3	*13·3*	..	..	39
1978 *J*	326·4[5]	276·9[5]	259·3	*9·9*	303·3	246·0	256·9	*11·3*			
F											

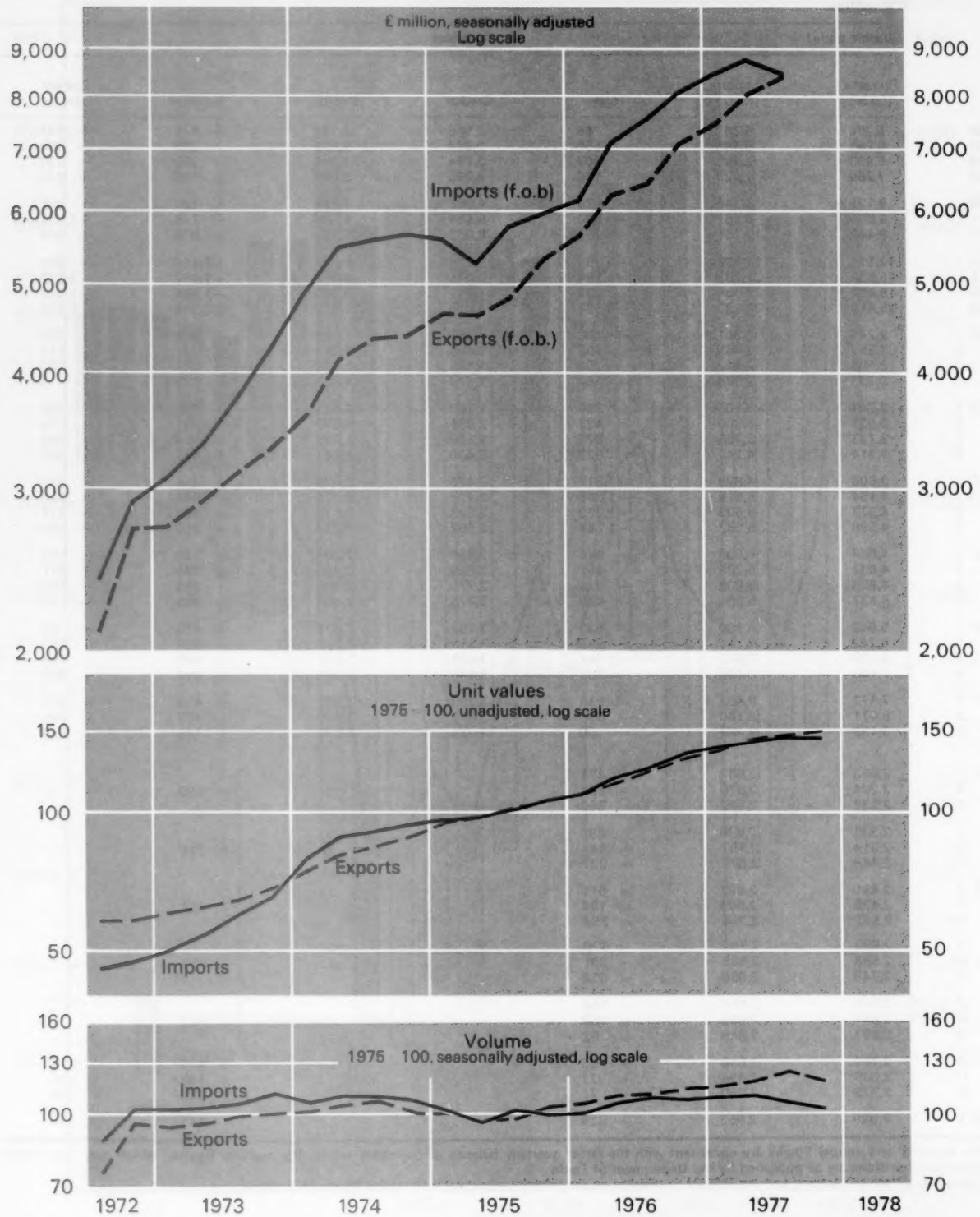
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1970 = 100, log scale
420
400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
Wholesale prices
(Materials and fuel
purchased by manufacturing industry)
Retail prices
Wholesale prices
(Home sales of
manufactured products)
1972
1973
1974
1975
1976
1977

Visible trade

	Seasonally adjusted		Unadjusted					
	1975=100		1975=100				1970=100	December 1971[1]=100
	Volume indices[2]		Unit value indices[2]					
	Exports	Imports	Exports	Imports	Terms of trade[3]	Export price competitiveness index[4]	World commodity prices index[5]	Sterling effective exchange rate
1967	61·7	68·1	42·1	33·6	125·3	104·1	80	..
1968	69·4	75·1	45·5	37·6	121·0	98·1	91	..
1969	76·2	75·7	47·0	38·8	121·1	98·0[6]	96	..
1970	79·5	80·2	50·5	40·6	124·4	100·0	100	..
1971	84·6	83·3	53·3	42·4	125·7	102·2	105	..
1972	84·5	92·4	56·3	44·7	126·0	102·6	116	95·2
1973	96·8	105·6	63·3	57·1	110·9	94·1	168	86·3
1974	103·9	107·9	81·8	88·5	92·4	93·1	295	83·6
1975	100·0	100·0	100·0	100·0	100·0	96·5	300	77·2
1976	109·9	105·5	120·6	121·9	98·9	94·9[7]	385	65·4
1977	118·9	107·0	142·4	141·4	100·7		431[8]	62·1
1972 *1*	82·9	88·2	55·6	43·4	128·1	105·8	109	99·6
2	84·8	92·4	56·3	43·8	128·5	105·4	110	99·0
3	74·8	87·1	58·0	45·8	126·6	101·6	119	92·1
4	95·4	102·0	58·4	47·5	122·9	97·8	127	90·2
1973 *1*	93·1	101·9	60·4	50·3	120·1	97·3	141	88·8
2	95·2	103·4	62·3	54·1	115·2	97·8	153	89·3
3	98·8	106·3	64·9	60·1	108·0	91·2	174	84·2
4	100·1	110·6	68·1	65·9	103·3	90·7	205	83·0
1974 *1*	100·7	106·5	74·8	79·3	94·3	91·2	298	83·1
2	105·9	109·5	81·0	88·9	91·1	93·5	287	84·7
3	107·2	108·9	84·9	91·5	92·8	93·7	292	84·2
4	102·0	106·8	89·1	94·1	94·7	93·8	303	82·6
1975 *1*	100·9	101·5	95·4	97·3	98·0	93·9	287	81·7
2	97·0	96·0	97·7	97·9	99·8	95·5	284	79·1
3	98·0	102·6	101·8	101·7	100·1	96·7	306	75·2
4	104·1	99·9	105·9	106·6	99·3	97·8	324	73·0
1976 *1*	106·2	100·3	109·7	109·9	99·8	99·3	338	72·0
2	109·9	106·0	115·9	118·4	97·9	94·4	381	65·8
3	110·0	108·3	122·9	124·5	98·7	95·2	395	64·1
4	113·5	107·3	130·2	133·8	97·3	90·4	423	59·6
1977 *1*	115·7	109·1	136·1	137·5	99·0	96·5[7]	439	61·8
2	117·9	109·8	141·7	141·3	100·3	97·7[7]	447	61·6
3	124·2	106·4	145·5	144·2	100·9		434[7]	61·8
4	117·9	102·7	147·6	143·7	102·7		405[8]	63·3
1976 *A*	108·1	102·5	113·4	115·5	98·2	..	..	67·2
M	110·3	107·9	115·8	118·2	98·0	..	..	65·8
J	111·3	107·6	118·5	121·4	97·6	..	..	64·3
J	106·5	110·1	120·5	123·0	98·0	..	..	65·1
A	112·0	105·4	123·1	124·4	99·0	..	..	64·8
S	111·4	109·5	124·9	126·0	99·1	..	..	62·5
O	114·1	107·1	127·5	131·2	97·2	..	..	59·2
N	111·0	109·7	130·5	134·3	97·2	..	..	59·1
D	115·3	105·1	132·5	135·8	97·6	..	..	60·5
1977 *J*	115·2	116·9	134·8	135·8	99·3	..	..	61·8
F	115·2	103·4	135·9	137·2	99·1	..	..	61·7
M	116·5	107·0	137·5	139·7	98·4	..	..	61·9
A	116·1	105·3	140·2	140·5	99·8	..	..	61·7
M	115·9	109·6	142·1	141·1	100·7	..	..	61·6
J	121·8	114·5	142·9	142·3	100·4	..	..	61·5
J	123·2	110·4	144·2	144·5	99·8	..	..	61·0
A	123·4	101·3	146·1	144·1	101·4	..	..	62·0
S	125·9	107·5	146·3	144·0	101·6			62·4
O	119·6	101·4	147·4	144·4	102·1			62·5
N	115·2	98·5	147·2	143·3	102·7			63·6
D	118·9	108·1	148·3	143·4	103·4			63·8
1978 *J*	112·7[7]	114·4[7]	149·1[7]	141·2[7]	105·6[7]			66·0
F								

[1] This series has been revised. For further information an article describing the background to, and basis of, this revised calculation is published in the March issue of *Economic Progress Report* prepared by HM Treasury.
[2] On a balance of payments basis. These series have been revised. For further details see *Trade and Industry* of 10 February 1978.
[3] Unit value index for exports expressed as a percentage of unit value index for imports.
[4] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[5] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[6] Differences in quarterly and annual averages for 1969 and 1970 are due to the effects of adjusting the UK series for export over-valuation.
[7] Provisional.
[8] Projection by the Department of Industry.


£ million, seasonally adjusted
Log scale
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
Imports (f.o.b)
Exports (f.o.b.)
Unit values
1975 = 100, unadjusted, log scale
150
100
50
Exports
Imports
Volume
1975 = 100, seasonally adjusted, log scale
160
130
100
70
Imports
Exports
1972
1973
1974
1975
1976
1977
1978

Balance of payments: current account

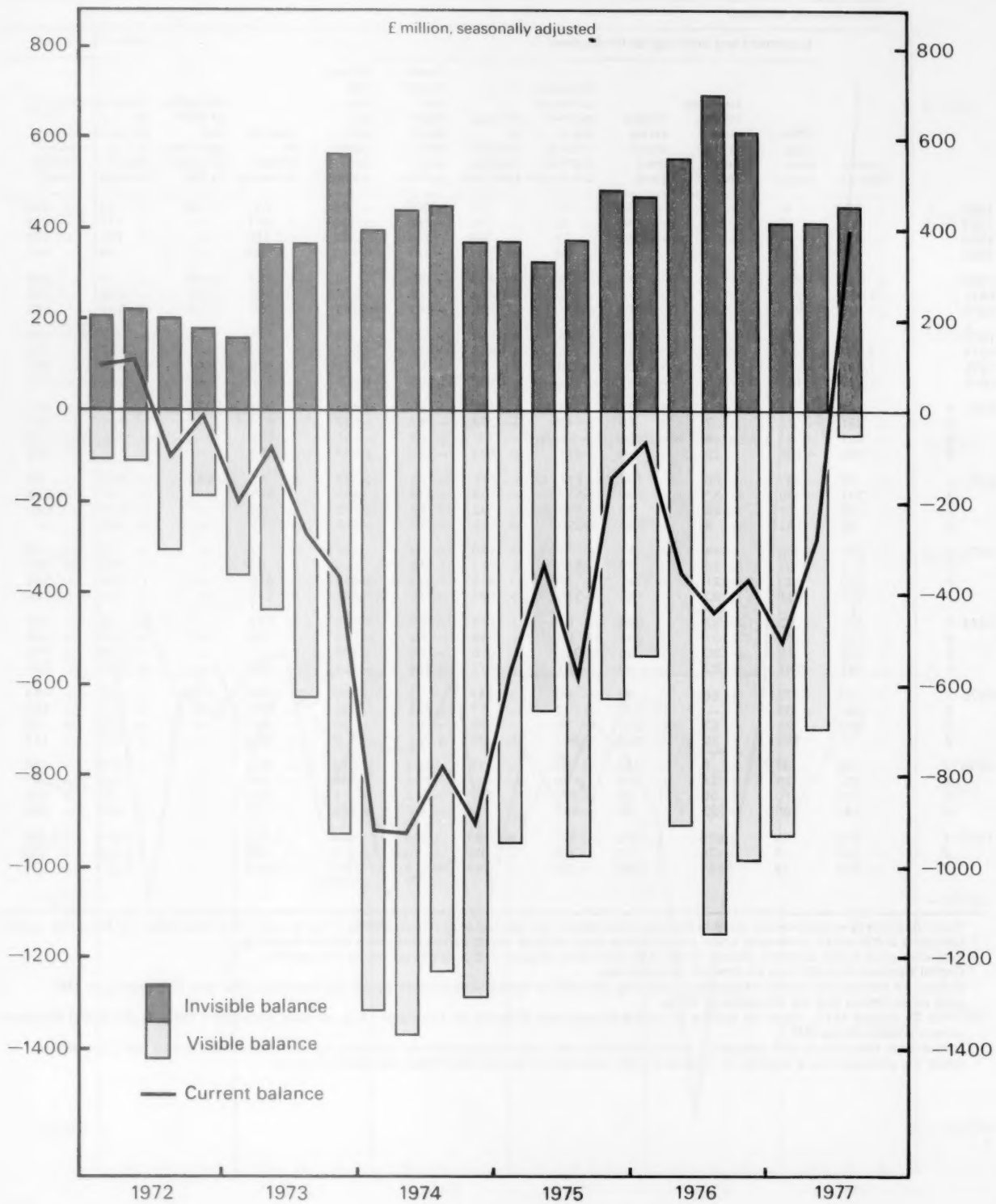
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1966	5,276	5,342	− 66	2,958	2,788	+ 170	+ 104
1967	5,241	5,796	− 555	3,244	2,989	+ 255	− 300
1968	6,433	7,100	− 667	3,794	3,414	+ 380	− 287
1969	7,269	7,425	− 156	4,295	3,699	+ 596	+ 440
1970	8,121	8,146	− 25	4,968	4,248	+ 720	+ 695
1971	9,061	8,781	+ 280	5,514	4,736	+ 778	+1,058
1972	9,449	10,151	− 702	6,062	5,254	+ 808	+ 106
1973	12,115	14,468	−2,353	8,278	6,834	+1,444	− 909
1974	16,538	21,732	−5,194	10,018	8,361	+1,657	−3,537
1975	19,461	22,664	−3,203	11,098	9,542	+1,556	−1,647
1976	25,416	28,987	−3,571	14,016	11,672	+2,344	−1,227
1972 *1*	2,245	2,351	− 106	1,455	1,249	+ 206	+ 100
2	2,357	2,465	− 108	1,488	1,267	+ 221	+ 113
3	2,108	2,412	− 304	1,546	1,345	+ 201	− 103
4	2,739	2,923	− 184	1,573	1,393	+ 180	− 4
1973 *1*	2,747	3,107	− 360	1,739	1,581	+ 158	− 202
2	2,921	3,360	− 439	2,031	1,670	+ 361	− 78
3	3,133	3,760	− 627	2,100	1,736	+ 364	− 263
4	3,314	4,241	− 927	2,408	1,847	+ 561	− 366
1974 *1*	3,606	4,923	−1,317	2,425	2,029	+ 396	− 921
2	4,154	5,519	−1,365	2,478	2,038	+ 440	− 925
3	4,379	5,608	−1,229	2,523	2,071	+ 452	− 777
4	4,399	5,682	−1,283	2,592	2,223	+ 369	− 914
1975 *1*	4,664	5,608	− 944	2,656	2,286	+ 370	− 574
2	4,632	5,289	− 657	2,696	2,370	+ 326	− 331
3	4,828	5,802	− 974	2,771	2,396	+ 375	− 599
4	5,337	5,965	− 628	2,975	2,490	+ 485	− 143
1976 *1*	5,642	6,180	− 538	3,152	2,679	+ 473	− 65
2	6,242	7,149	− 907	3,355	2,798	+ 557	− 350
3	6,429	7,573	−1,144	3,669	2,971	+ 698	− 446
4	7,103	8,085	− 982	3,840	3,224	+ 616	− 366
1977 *1*	7,472	8,402	− 930	3,752	3,338	+ 414	− 516
2	8,071	8,769	− 698	3,877	3,459	+ 418	− 280
3	8,439	8,489	− 50	4,024	3,575	+ 449	+ 399
1976 *J*	2,063	2,534	− 471	..	..	+ 698	..
A	2,204	2,470	− 266	..	..		..
S	2,232	2,592	− 360	..	..		..
O	2,335	2,626	− 291	..	..	+ 616	..
N	2,314	2,757	− 443	..	..		..
D	2,448	2,675	− 227	..	..		..
1977 *J*	2,481	2,992	− 511	..	..	+ 414	..
F	2,479	2,663	− 184	..	..		..
M	2,542	2,796	− 254	..	..		..
A	2,590	2,760	− 170	..	..	+ 418	..
M	2,588	2,869	− 281	..	..		..
J	2,748	3,066	− 318	..	..		..
J	2,795	2,959	− 164	..	..	+ 449	..
A	2,851	2,693	+ 158	..	..		..
S	2,897	2,845	+ 52	..	..		..
O	2,761	2,696	+ 65	..	..	+ 145[2]	+ 210
N	2,665	2,594	+ 71	..	..	+ 145[2]	+ 216
D	2,779	2,850	− 71	..	..	+ 145[2]	+ 74
1978 *J*	2,629	2,953	− 324	..	..	+ 145[2]	− 179

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible balance
Current balance
1972
1973
1974
1975
1976
1977

Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

	Investment and other capital transactions								Official financing		
	Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/additions to (−) official reserves [6]	Other transactions (net) [7]
1966	+ 104	− 81	+ 35	− 39	−192	− 101	−200	− 73	− 547	− 44	− 34	+ 625
1967	− 300	− 59	+ 54	− 96	+ 36	− 286	−146	+126	− 671	—	+ 115	+ 556
1968	− 287	+ 16	+ 16	− 160	− 15	− 308	−305	−367	−1,410	—	+ 114	+1,296
1969	+ 440	− 99	− 56	− 6	− 38	+ 261	−227	+412	+ 687	—	− 44	− 643
1970	+ 695	−205	− 10	+ 49	+472	+ 459	−193	+ 20	+1,287	+133	− 125	−1,295
1971	+1,058	−274	+107	+ 216	+471	+1,422	−126	+272	+3,146	+125	−1,536	−1,735
1972	+ 106	−255	+120	− 610	+471	+ 196	−610	−683	−1,265	+124	+ 692	+ 449
1973	− 909	−254	+175	− 196	+525	+ 154	−355	+ 89	− 771	—	− 228	+ 999
1974	−3,537	−276	+252	+1,129	−294	+1,558	−685	+207	−1,646	—	− 105	+1,751
1975	−1,647	−289	+ 43	+ 336	+235	− 67	− 53	− 21	−1,465	—	+ 655	+ 810
1976	−1,227	−158	+203	− 103	−106	1,152	−1,503	+418	−3,628	—	+ 853	+2,775
1971 *1*	+ 64	− 46	+ 70	+ 132	+ 84	+ 285	+ 70	+263	+ 922	+125	− 204	− 843
2	+ 351	− 44	+ 7	+ 44	+148	+ 277	− 97	− 83	+ 603	—	− 126	− 477
3	+ 381	− 34	+ 5	+ 54	+ 28	+ 337	+ 83	−191	+ 668	—	− 576	− 92
4	+ 262	−150	+ 25	− 14	+211	+ 523	−187	+283	+ 953	—	− 630	− 323
1972 *1*	− 16	− 42	+ 65	− 191	+114	+ 211	−164	+ 80	+ 57	+124	− 191	+ 10
2	+ 231	− 39	+ 22	− 194	−132	− 138	−375	−420	−1,045	—	+ 46	+ 999
3	− 139	− 17	+ 24	− 77	+199	− 92	− 47	+ 70	− 79	—	+ 639	− 560
4	+ 30	−157	+ 9	− 148	+290	+ 215	− 24	−413	− 198	—	+ 193	—
1973 *1*	− 350	− 55	+ 44	− 17	+ 1	+ 170	− 63	+297	+ 27	—	− 72	+ 45
2	− 1	− 31	+ 20	+ 30	+152	+ 168	+ 18	−255	+ 99	—	− 380	+ 281
3	− 230	− 27	+ 21	− 51	+ 36	− 415	−200	+248	− 618	—	+ 254	+ 364
4	− 328	−141	+ 90	− 158	+336	+ 233	−110	−201	− 279	—	− 30	+ 309
1974 *1*	− 973	− 52	+ 32	+ 564	− 61	+ 179	−150	+122	− 339	—	+ 33	+ 306
2	− 877	− 42	+107	+ 299	+ 56	+ 386	− 92	−156	− 319	—	− 116	+ 435
3	− 824	− 15	+ 30	+ 356	−346	+ 616	−109	+292	—	—	− 189	+ 189
4	− 863	−167	+ 83	− 90	+ 57	+ 377	−334	− 51	− 988	—	+ 167	+ 821
1975 *1*	− 661	− 73	+ 66	− 43	− 80	+ 247	− 32	+250	− 326	—	− 142	+ 468
2	− 342	− 39	—	− 337	+772	− 17	−264	−345	− 572	—	+ 410	+ 162
3	− 569	− 26	− 52	+ 566	− 15	− 379	+183	+ 79	− 213	—	+ 170	+ 43
4	− 75	−150	+ 29	+ 150	−442	+ 82	+ 57	− 5	− 354	—	+ 217	+ 137
1976 *1*	− 148	− 37	+ 9	+ 149	+ 94	− 75	−684	+ 14	− 678	—	− 178	+ 856
2	− 352	− 26	+ 13	− 256	− 86	− 932	−550	+234	−1,955	—	+ 354	+1,601
3	− 344	− 10	+ 58	+ 64	−272	− 137	−222	+ 1	− 862	—	+ 61	+ 801
4	− 383	− 85	+123	− 60	+158	− 8	− 47	+169	− 133	—	+ 616	− 483
1977 *1*	− 592	− 25	+515	+ 393	+421	+ 389	+256	+556	+1,913	—	−3,197	+1,284
2	− 345	− 16	+926	+ 167	−706	− 42	+ 10	+914	+ 908	—	−1,158	+ 250
3	+ 528	− 14	+231	+ 545	+220	+ 397	− 6	+709	+2,610	—	−3,227	+ 617

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.

£ million, unadjusted
2,500
2,000
1,500
1,000
500
0
−500
−1000
−1500
−2000
Balance for official financing
Current balance
1972
1973
1974
1975
1976
1977

Money stock

£ million: amounts outstanding

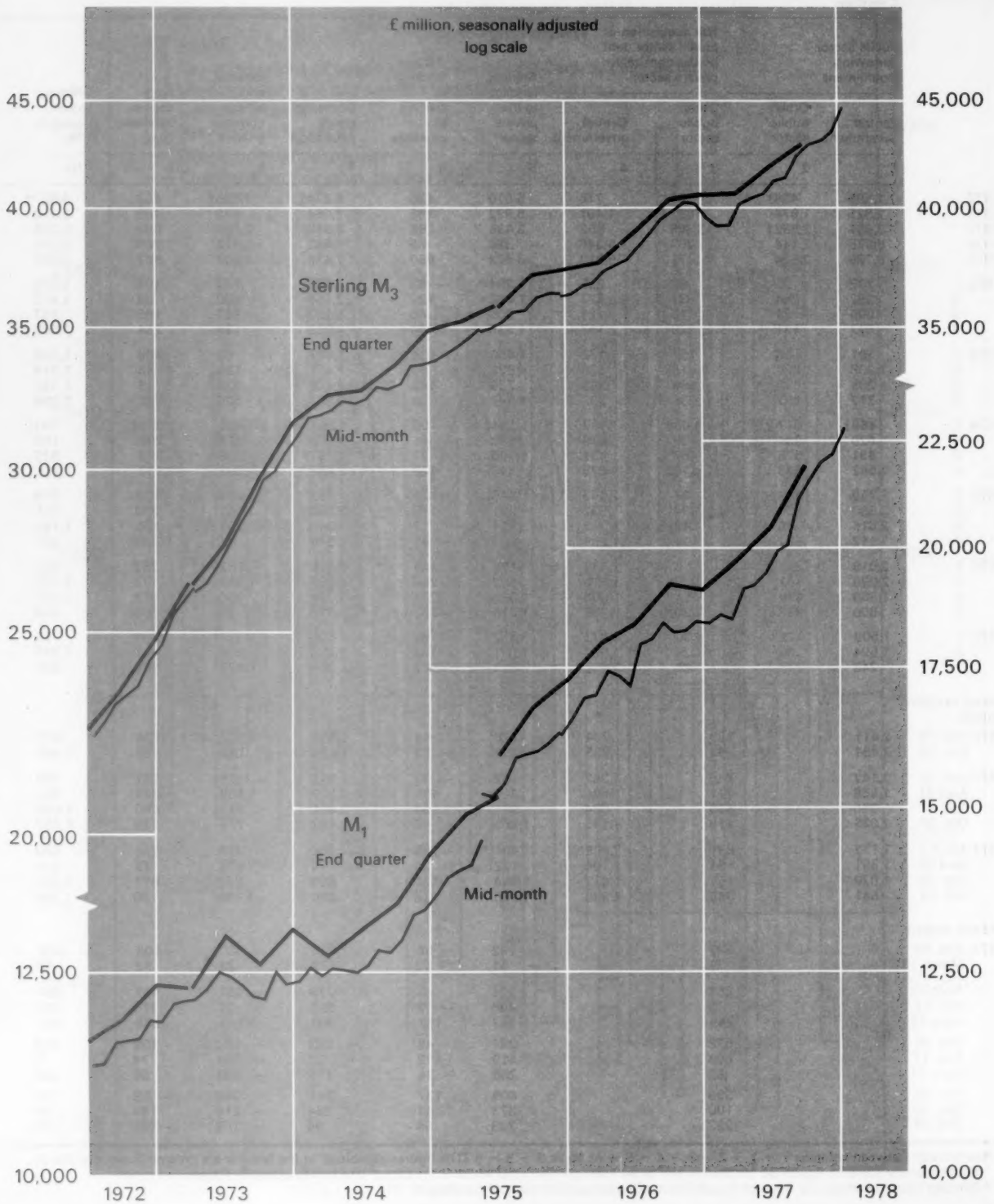
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted [5]	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1971 *1*	9,880	412	*+4·4*	18,050†	727†	*+4·2*	18,540	707	*+4·0*	5·610	3·069	2·985
2	9,980	94	*+1·0*	18,340	297	*+1·6*	18,850	315	*+1·7*	5·709	3·116	3·032
3	10,270	295	*+3·0*	18,740	403	*+2·2*	19,260	408	*+2·2*	5·821	3·179	3·093
4[2]	10,380 / 10,780	110	*+1·1*	19,620	884	*+4·7*	20,050	792	*+4·1*	5·769	3·136	3·060
1972 *1*[3]	11,190 / 11,240	407	*+3·8*	20,620 / 21,030	1,005	*+5·1*	21,150 / 21,560	1,104	*+5·5*	5·587	3·011	2·941
2	11,690	457	*+4·1*	22,490	1,472	*+7·0*	23,100	1,555	*+7·2*	5·490	2·903	2·829
3	11,850	133	*+1·1*	23,430	937	*+4·2*	24,080	976	*+4·2*	5·430	2·781	2·707
4	12,330	507	*+4·3*	24,930	1,500	*+6·4*	25,730	1,651	*+6·9*	5·542	2·769	2·688
1973 *1*[3]	12,340 / 12,340	− 10	*−0·1*	26,300 / 26,210	1,368	*+5·5*	27,300 / 27,310	1,565	*+6·1*	5·887	2·837	2·738
2	13,110	772	*+6·3*	27,550	1,349	*+5·1*	28,620	1,322	*+4·8*	5·633	2·664	2·563
3	12,540	−562	*−4·3*	29,490	1,936	*+7·0*	30,810	2,184	*+7·6*	5·775	2·588	2·484
4	13,140	610	*+4·9*	31,700	2,206	*+7·5*	33,130	2,318	*+7·5*	5·920	2·485	2·378
1974 *1*	12,760	−319	*−2·7*	32,480	790	*+2·5*	34,260	1,131	*+3·4*	5·840	2·357	2·245
2	13,100	342	*+2·7*	32,670	186	*+0·6*	34,850	593	*+1·7*	6·238	2·476	2·334
3	13,500	389	*+3·0*	33,500	825	*+2·5*	36,000	1,145	*+3·3*	6·592	2·650	2·475
4	14,580	1,065	*+7·9*	34,970	1,454	*+4·3*	37,370	1,352	*+3·8*	6·400	2·625	2·450
1975 *1*	14,890	293	*+2·0*	35,200	219	*+0·6*	37,720	340	*+0·9*	6·503	2·731	2·552
2[4]	15,260 / 15,590	364	*+2·4*	35,910 / 35,890	712	*+2·0*	38,260 / 38,250	544	*+1·4*	6·702	2·877	2·692
3	16,799	793	*+5·0*	37,080	1,192	*+3·3*	39,880	1,629	*+4·3*	6·613	2·937	2·744
4[5]	17,350	365	*+3·4*	37,270	207	*+0·6*	40,240	389	*+1·0*	6·608	3·034	2·816
1976 *1*	17,960	614	*+3·5*	37,700	462	*+1·2*	40,850	634	*+1·6*	6·719	3·164	2·926
2	18,400	439	*+2·4*	38,880	1,178	*+3·1*	42,440	1,593	*+3·9*	6·611	3·139	2·886
3	19,220	821	*+4·5*	40,450	1,586	*+4·1*	44,490	2,063	*+4·9*	6·656	3·156	2·880
4	19,140	− 78	*−0·4*	40,580	149	*+0·4*	44,550	− 71	*+0·2*	6·809	3·223	2·933
1977 *1*	19,750	611	*+3·2*	40,640	75	*+0·2*	44,910	383	*+0·9*	6·788	3·250	2·951
2	20,490	740	*+3·7*	41,940	1,309	*+3·2*	46,460	1,557	*+3·5*	6·835	3·331	3·010
3	21,860	1,376	*+6·7*	42,890	950	*+2·3*	47,210	745	*+1·6*	6·331	3·385	3·065
4												
At mid-month												
1976 *O*	18,190	−196	*−1·1*	39,900	459	*+1·2*	43,810	646	*+1·5*	..	..	..
N	18,250	58	*+0·3*	40,320	429	*+1·1*	44,150	339	*+0·8*	..	..	..
D	18,430	180	*+1·0*	40,170	−159	*−0·4*	43,820	− 325	*−0·7*	..	..	..
1977 *J*	18,400	− 2	—	39,640	−510	*−1·3*	43,370	− 439	*−1·0*	..	..	..
F	18,530	134	*+0·7*	39,220	−416	*−1·0*	43,090	− 271	*−0·6*	..	..	..
M	18,490	− 35	*−0·2*	39,260	43	*+0·1*	43,090	5	—	..	..	..
A	19,150	667	*+3·6*	40,140	899	*+2·3*	44,340	1,263	*+2·9*	..	..	..
M	19,200	64	*+0·3*	40,380	253	*+0·6*	44,640	312	*+0·7*	..	..	..
J	19,460	263	*+1·4*	40,680	303	*+0·8*	44,910	274	*+0·6*	..	..	..
J	19,970	518	*+2·7*	41,190	507	*+1·2*	45,350	439	*+1·0*	..	..	..
A	20,080	109	*+0·5*	41,250	59	*+0·1*	45,410	63	*+0·1*	..	..	..
S	21,040	960	*+4·8*	42,120	868	*+2·1*	46,330	923	*+2·0*	..	..	..
O	21,550	509	*+2·4*	42,840	729	*+1·7*	46,820	492	*+1·1*	..	..	..
N	21,900	349	*+1·6*	43,130	284	*+0·7*	46,860	30	*+0·1*	..	..	..
D	22,080	176	*+0·8*	43,530	401	*+0·9*	47,200	340	*+0·7*	..	..	..
1978 *J*	22,760	681	*+3·1*	44,510	982	*+2·3*	48,200	1,004	*+2·1*	..	..	..
F												
M												

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The break in the series M_1 between September and December 1971 reflects additional statistical information.

[3] The breaks in the series at end-March 1972 and end-March 1973 show, in each case, the effects of changes in contributors.

[4] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [5] The amounts outstanding at end-December 1975, are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.


£ million, seasonally adjusted
log scale
45,000
40,000
35,000
30,000
25,000
20,000
12,500
10,000
22,500
17,500
15,000
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
1972
1973
1974
1975
1976
1977
1978

Domestic credit expansion and money stock

Seasonally adjusted[1]

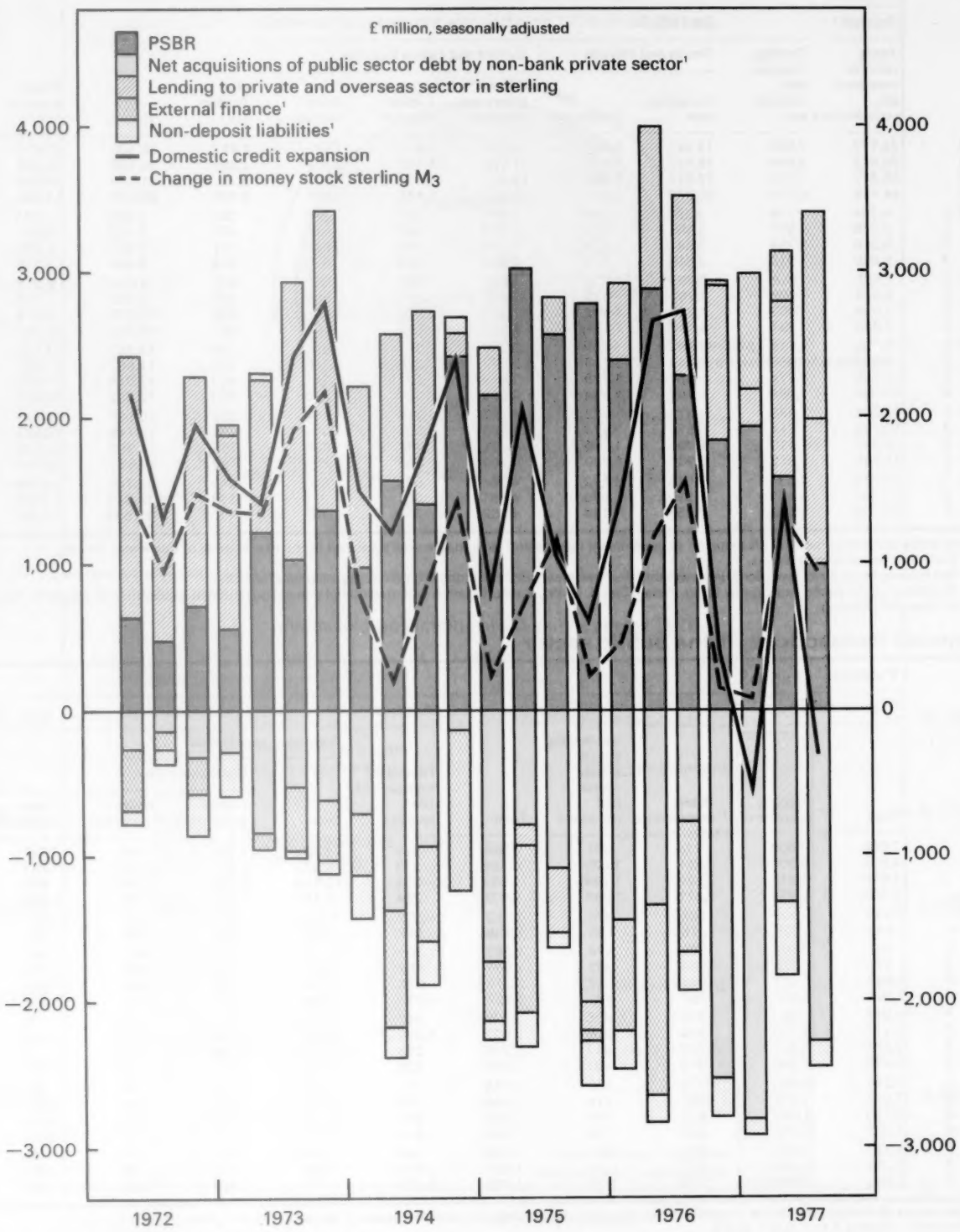
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	438†	230	776	5,510	136	6,674†	1,095†	652	4,927†
1973	2,321	1,874	891†	1,401	5,972	189	8,064	879	485	6,702
1974	3,491	2,882†	2,309	852	3,435	289	6,936	2,999	682	3,255
1975	8,376	2,144	263	5,346	− 384	− 65	4,462	1,372	760	2,330
1976	6,786	2,624	471	5,613	3,463	650	7,439	2,907	967	3,565
1972 *1*	132	77	52	235	1,394	− 83	1,233	123	105	1,005
2	382	254	34	227	1,662	129	2,166	600	94	1,472
3	505	− 24	18	121	905	46	1,293	187	169	937
4	577	131	126	193	1,536	44	1,969	185	284	1,500
1973 *1*	391	163	157	132	1,460	−124	1,601	− 63	296	1,368
2	1,008	224	315	529	933	90	1,411	108	− 46	1,349
3	205	830	186	348	739	168	2,408	429	43	1,936
4	717	657	231	392	1,997	55	2,803	405	192	2,206
1974 *1*	458†	517	606†	107	1,134†	105	1,501	420	291†	790†
2	620	954	730	639	950	45	1,200	814	200	186
3	831	575	454	481	1,305	21	1,797	669	303	825
4	1,582	836	519	− 375	46	118	2,438	1,096	− 112	1,454
1975 *1*	1,259	893	67	1,657	448	−124	752	411	122	219
2	2,390	630	234	557	− 291	148	2,086	1,141	233	712
3	2,615	− 46	− 142	1,233	− 434	2	1,046	− 251	105	1,192
4	2,112	667	104	1,899	− 107	− 91	578	71	300	207
1976 *1*	2,019	377	5	1,436	176	345	1,476	762	252	462
2	2,099	781	222	1,116	852	266	2,660	1,310	172	1,178
3	1,808	479	114	666	1,030	201	2,738	875	277	1,586
4	860	987	130	2,395	1,215	−162	375	− 40	266	149
1977 *1*	1,509	425	530	2,272	352	− 92	− 608	− 792	109	75
2	1,524	66	224	1,092	1,021	183	1,478	− 348	517	1,309
3	248	748	− 88	2,368	816	162	− 306	−1,425	169	950
Three months ended										
1975 July 16	2,411		399	774	− 275	53	1,814	1,372	−134	576
Oct. 15	2,484		42	1,235	− 258	− 13	1,020	− 180	140	1,060
1976 Jan. 21	2,147		949	2,362	− 182	− 37	515	135	171	209
April 21	1,858		211	598	400	461	2,332	1,108	225	999
July 21	1,865		439	984	991	154	2,465	927	440	1,098
Oct. 20	1,828		415	1,125	1,265	99	2,482	775	120	1,587
1977 Jan. 19	1,172		631	2,869	994	−188	− 260	− 256	236	− 240
April 20	1,351		− 164	1,105	− 122	− 34	− 74	− 675	75	526
July 20	1,070		161	1,617	1,044	151	809	− 872	617	1,064
Oct. 19	541		748	2,380	1,266	215	390	−1,389	70	1,709
Month ended										
1977 Feb. 16			− 547		− 292	− 86	− 925	− 401	−108	− 416
March 16			71		− 51	52	72	− 23	52	43
April 20			558		221	—	779	− 251	131	899
May 18			− 3		406	− 8	395	− 77	219	253
June 15			249		347	111	707	145	259	303
July 20			− 632		291	48	− 293	− 940	139	508
Aug. 17			− 603		419	112	− 72	− 221	74	75
Sept. 21			− 89		238	− 34	115	− 823	55	883
Oct. 19			− 399		609	137	347	− 345	− 59	751
Nov. 16			− 100		323	41	264	− 216	194	286
Dec. 14			− 222		223	94	95	− 152	−167	414

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (−), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1973	24,177	2,900	13,247	3,694	8,251	980	2,711	1,617	30,500	27,877
1974	29,843	3,649	16,522	4,442	11,176	1,107	3,551	2,390	39,188	36,034
1975	38,347	4,392	22,912	5,067	14,407	1,202	4,065	3,757	51,410	47,507
1976	44,695	5,314	26,574	5,421	17,077	1,421	5,434	2,468	58,395	54,026
1973 *1*	6,784	738	3,226	1,008	1,980	293	722	653	7,882	7,178
2	5,545	651	3,164	776	2,018	224	516	484	7,182	6,637
3	5,818	798	3,347	931	1,964	240	803	102	7,387	6,645
4	6,030	713	3,510	979	2 289	223	670	378	8,049	7,416
1974 *1*	7,581	916	3,791	1,328	2,567	282	992	545	9,505	8,613
2	6,824	786	3,752	825	2,474	261	668	422	8,402	7,734
3	7,558	990	4,249	1,155	2,903	279	1,028	896	10,513	9,619
4	7,880	957	4,730	1,134	3,227	285	865	527	10,763	10,033
1975 *1*	9,535	1,136	5,452	1,387	3,351	377	1,066	1,264	12,897	11,792
2	8,972	996	5,444	1,117	3,571	203	756	771	11,862	11,036
3	9,755	1,174	5,854	1,199	3,619	297	1,227	853	13,049	12,006
4	10,085	1,086	6,162	1,364	3,856	325	1,016	869	13,602	12,673
1976 *1*	11,246	1,378	6,333	1,722	4,122	385	1,548	1,039	15,149	13,832
2	10,796	1,214	6,510	1,174	4,260	307	1,034	490	13,745	12,823
3	10,908	1,410	6,765	1,265	4,231	324	1,628	755	14,938	13,783
4	11,745	1,312	6,966	1,260	4,464	405	1,254	184	14,533	13,582
1977 *1*	13,116	1,534	7,015	1,572	4,756	509	1,850	443	16,145	14,768
2	12,387	1,361	7,319	970	4,851	361	1,313	−174	14,640	13,530
3	12,579	1,682	7,356	1,114	4,882	339	1,793	115	15,599	13,957

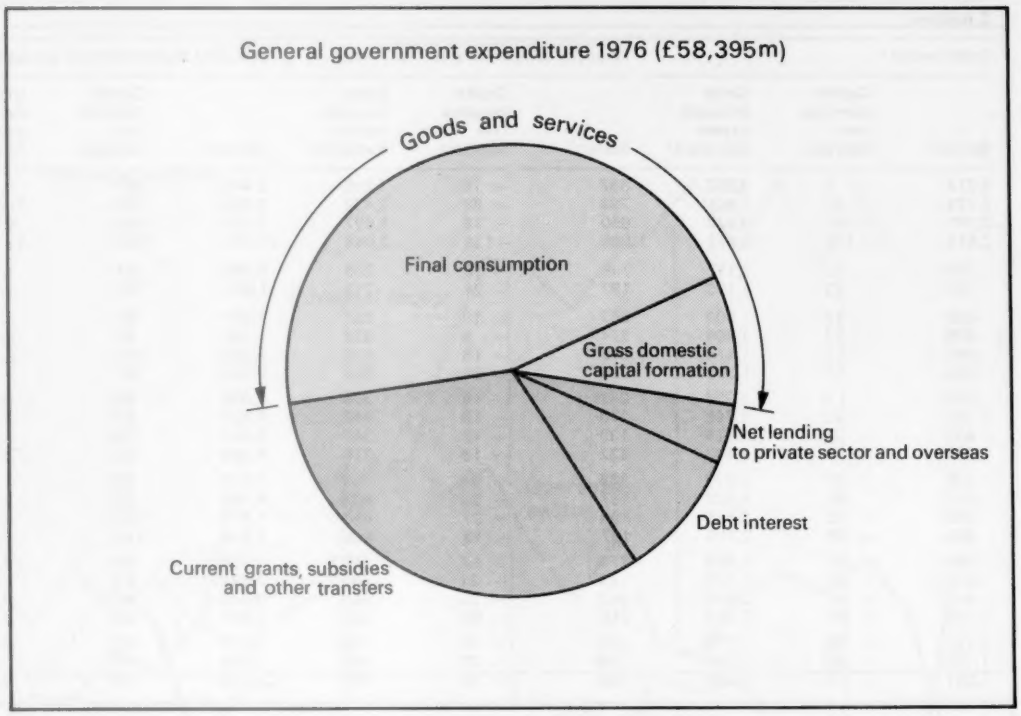
[1] An article describing the new presentation of government income and expenditure was published in the March issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7049). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

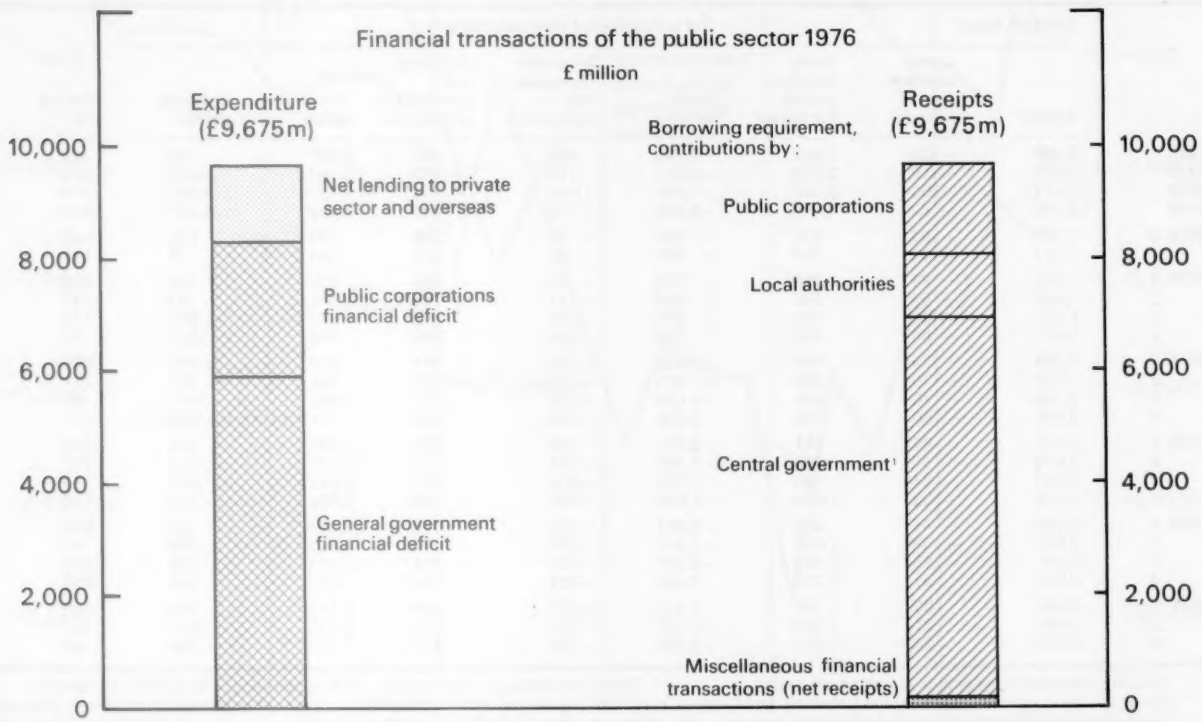
Financial transactions of the public sector

£ million

	Financial deficit[1]				Receipts			
						Borrowing requirement		
							Contributions by:	
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations
1973	2,585	1,806	779	971	3,556	−639	4,195	2,321	1,348	526
1974	4,857	3,306	1,551	1,829	6.686	313	6,373	3,491	2,125	757
1975	7,858	4,914	2,944	1,804	9,662	−858	10,520	8,376	1,653	491
1976	8,329	5,918	2,411	1,346	9,675	264	9,410	6,786	1,131	1,493
1973 *3*	1,034	669	365	278	1,312	−227	1,539	645	337	557
4	943	928	15	195	1,138	−447	1,585	986	356	243
1974 *1*	788	463	325	474	1,262	1,324	−62	−609	452	95
2	635	370	265	367	1,002	−879	1,881	985	780	116
3	1,633	1,069	564	637	2,270	674	1,596	858	452	286
4	1,801	1,404	397	351	2,152	−806	2,958	2,257	441	260
1975 *1*	1,864	962	902	475	2,339	817	1,522	987	527	8
2	1,717	1,123	594	305	2,022	−1,075	3,097	2,356	612	129
3	2,299	1,267	1,032	417	2,716	225	2,491	2,288	210	− 7
4	1,978	1,562	416	607	2,585	−825	3,410	2,745	304	361
1976 *1*	2,265	1,486	779	439	2,704	1,119	1,585	1,414	196	− 25
2	1,842	1,245	597	416	2,258	−730	2,988	2,204	281	503
3	2,720	1,895	825	295	3,015	695	2,320	1,655	287	378
4	1,502	1,292	210	196	1,698	−819	2,517	1,513	367	637
1977 *1*	1,323	1,052	271	307	1,630	685	945	572	472	− 99
2	1,281	1,066	215	—	1,281	−610	1,891	1,738	−230	383
3	1,952	1,233	729	29	1,981	1,016	965	269	281	415

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations


General government expenditure 1976 (£58,395m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

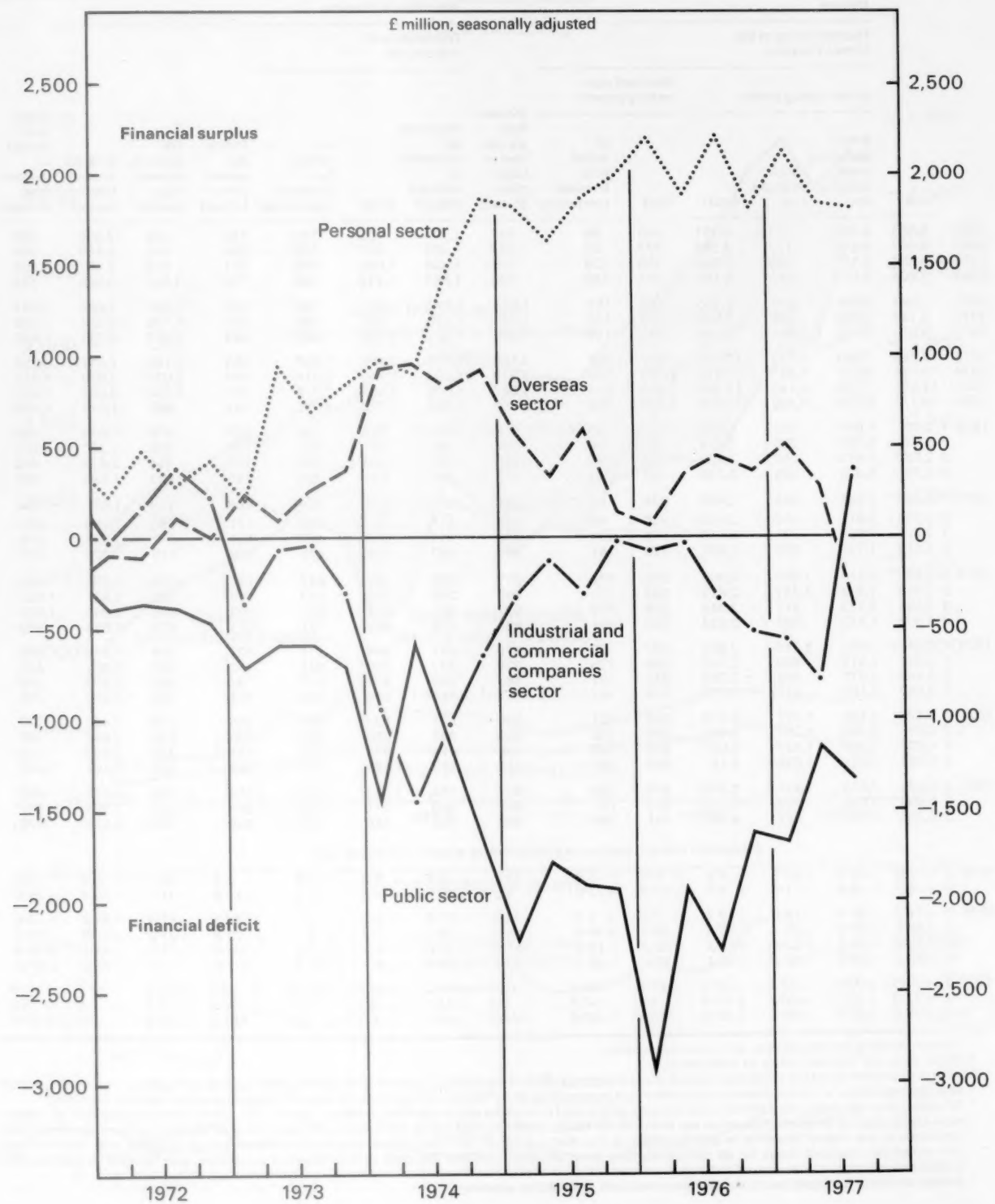
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,312	— 5	5,892	882	— 76	1,298	7,442	347	8,589
1974	2,776	— 32	7,601	783	— 66	1,432	7,829	333	12,225
1975	2,161	— 87	9,932	690	— 16	1,697	8,064	403	9,261
1976	2,813	—170	10,972	1,099	—129	2,048	11,577	359	12,908
1972 *3*	710	22	1,117	198	— 16	236	1,429	83	1,127
4	704	23	1,190	187	— 21	213	1,524	90	1,402
1973 *1*	808	— 18	1,500	257	— 18	267	1,621	82	2,072
2	808	— 23	1,365	174	— 9	322	1,760	82	1,910
3	892	1	1,474	216	— 18	336	2,033	102	2,163
4	804	35	1,553	235	— 31	373	2,028	81	2,424
1974 *1*	309	8	1,756	249	— 16	368	2,030	86	3,063
2	1,185	— 23	1,748	173	— 18	349	1,937	87	3,476
3	806	— 25	1,915	139	— 17	340	1,964	78	3,059
4	476	8	2,182	222	— 16	375	1,898	82	2,627
1975 *1*	325	— 65	2,473	138	57	360	1,918	96	2,347
2	512	36	2,333	187	— 28	402	1,957	82	2,170
3	515	— 22	2,407	198	— 27	490	1,979	113	2,399
4	809	— 36	2,719	167	— 18	445	2,210	112	2,345
1976 *1*	386	— 28	2,849	274	— 18	458	2,486	94	2,656
2	835	— 45	2,729	198	— 24	480	2,892	97	3,027
3	444	— 40	2,680	312	— 25	568	3,038	80	3,462
4	1,148	— 57	2,714	315	— 62	542	3,161	88	3,763
1977 *1*	1,127	— 88	2,709	225	— 30	516	3,197	85	3,838
2	1,169	— 69	2,259	109	— 37	497	2,968	85	3,846
3	1,081	— 15	2,401	148	— 39	635	3,038	30	2,691

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	5,955	—325	2,943	—2,585	—492	— 800	2,687	968	222
1974	8,478	—310	2,974	—4,857	—715	—4,063	5,194	3,612	829
1975	11,313	—300	3,701	—7,858	—1,023	— 794	7,312	1,647	716
1976	12,585	— 60	4,415	—8,329	—1,078	— 971	8,110	1,227	1,042
1972 *3*	1,082	— 89	697	— 385	— 54	385	296	103	—345
4	1,313	— 92	797	— 463	— 47	212	424	4	—130
1973 *1*	1,054	— 84	768	— 710	— 28	— 369	202	240	665
2	1,696	— 69	682	— 580	—157	— 68	945	97	—237
3	1,534	— 86	751	— 581	—138	— 48	697	264	—194
4	1,671	— 86	742	— 714	—169	— 315	843	367	— 12
1974 *1*	1,789	— 79	740	—1,439	—134	— 947	970	921	629
2	1,785	— 75	809	— 586	—194	—1,452	901	954	377
3	2,208	— 76	670	—1,134	—218	—1,017	1,462	817	90
4	2,696	— 80	755	—1,698	—169	— 647	1,861	920	—267
1975 *1*	2,720	— 88	811	—2,213	—165	— 333	1,821	574	316
2	2,606	— 90	885	—1,785	—243	— 131	1,631	331	197
3	2,922	— 64	996	—1,914	—319	— 307	1,862	599	79
4	3,065	— 58	1,009	—1,946	—296	— 23	1,998	143	124
1976 *1*	3,240	— 48	988	—2,491	—202	— 76	2,204	65	500
2	2,964	— 28	1,046	—1,939	—306	— 38	1,890	350	43
3	3,391	— 15	1,165	—2,276	—281	— 344	2,211	446	244
4	2,990	31	1,216	—1,623	—289	— 514	1,805	366	255
1977 *1*	3,300	33	1,196	—1,670	—321	— 556	2,137	516	—106
2	3,080	21	1,258	—1,159	—425	— 793	1,843	280	254
3	3,125	24	1,347	—1,335	—526	377	1,802	—399	81

[1] Excluding financial transactions in writing-off debt. [2] Before providing for depreciation stock appreciation and addition to reserves. [3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress. [4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress. [5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. [6] The residual error in the national income accounts


£ million, seasonally adjusted
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1972
1973
1974
1975
1976
1977

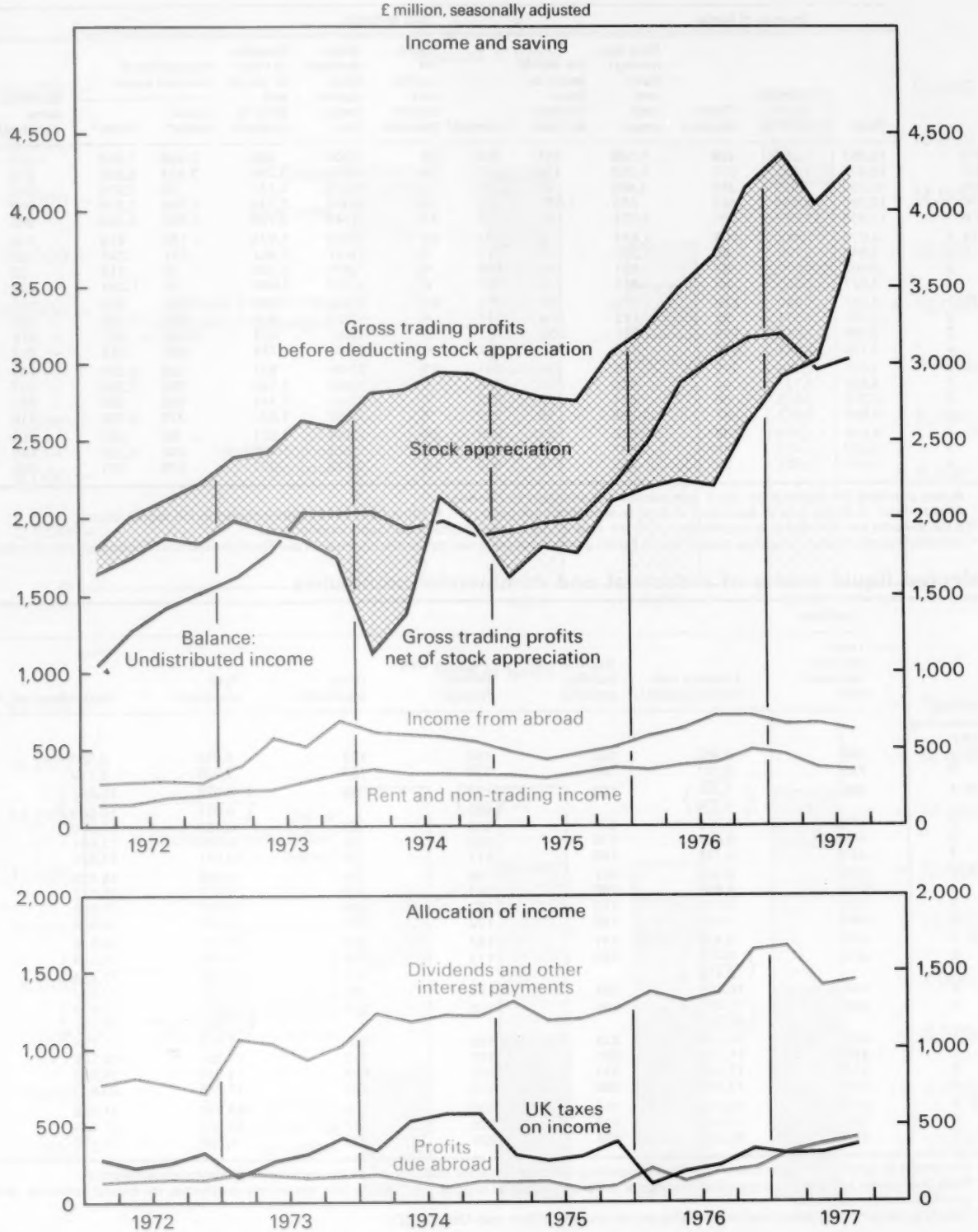
Appropriation account of industrial and commercial companies

£ million Seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income										
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1966	5,955	4,654	297	4,951	363	99	641	1,509	923	555	199	625	2,699	*459*
1967	6,003	4,819	145	4,964	377	96	662	1,463	941	548	206	941	2,452	*514*
1968	6,853	5,157	485	5,642	456	139	755	1,434	1,067	656	311	919	3,122	*705*
1969	7,604	5,573	582	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	*819*
1970	7,983	5,558	888	6,446	513	151	1,024	1,378	1,301	799	322	1,297	3,685	*1,041*
1971	8,733	6,353	832	7,185	525	135	1,023	1,530	1,320	792	397	1,104	4,382	*1,334*
1972	9,920	7,098	1,066	8,164	642	196	1,114	1,524	1,510	969	549	1,082	5,255	*1,592*
1973	13,266	7,498	2,553	10,051	1,057	501	2,158	1,638	2,365	1,806	665	1,156	7,442	*2,359*
1974	15,184	6,571	4,941	11,512	1,353	695	2,319	1,469	3,340	2,716	524	2,022	7,829	*4,012*
1975	14,691	7,315	4,140	11,455	1,353	619	1,883	1,608	3,309	2,674	447	1,263	8,064	*3,414*
1976	18,778	9,255	5,300	14,555	1,668	802	2,655	1,895	3,772	3,120	747	887	11,577	*4,038*
1972 *1*	2,201	1,647	161	1,808	137	30	256	437	323	196	127	279	1,035	*360*
2	2,436	1,742	270	2,012	140	34	284	461	347	221	135	226	1,267	357
3	2,582	1,870	250	2,120	173	60	289	352	406	270	141	254	1,429	*415*
4	2,701	1,839	385	2,224	192	72	285	274	434	282	146	323	1,524	*460*
1973 *1*	3,008	1,985	415	2,400	224	96	384	526	505	386	188	168	1,621	*484*
2	3,224	1,911	517	2,428	226	90	570	511	522	392	171	260	1,760	*484*
3	3,424	1,861	771	2,632	278	134	514	319	609	454	151	312	2,033	*614*
4	3,610	1,741	850	2,591	329	181	690	282	729	574	155	416	2,028	*777*
1974 *1*	3,767	1,119	1,686	2,805	352	192	610	432	792	647	170	343	2,030	*938*
2	3,759	1,372	1,457	2,829	332	170	598	355	811	657	126	530	1,937	*1,065*
3	3,855	2,133	811	2,944	339	172	572	357	855	691	103	576	1,964	*1,029*
4	3,803	1,947	987	2,934	330	161	539	325	882	721	125	573	1,898	*980*
1975 *1*	3,644	1,623	1,219	2,842	327	150	475	431	868	711	123	304	1,918	*886*
2	3,524	1,819	968	2,787	308	130	429	377	800	641	123	267	1,957	*852*
3	3,563	1,771	982	2,753	342	157	468	389	801	637	97	297	1,979	*976*
4	3,960	2,102	971	3,073	376	182	511	411	840	685	104	395	2,210	*700*
1976 *1*	4,170	2,198	1,017	3,215	359	157	596	523	839	672	206	116	2,486	*927*
2	4,528	2,242	1,250	3,492	396	178	640	445	858	697	138	195	2,892	*965*
3	4,823	2,200	1,497	3,697	418	200	708	414	946	776	191	234	3,038	*1,113*
4	5,357	2,615	1,536	4,151	495	267	711	513	1,129	975	212	342	3,161	*1,033*
1977 *1*	5,483	2,919	1,451	4,370	456	229	657	584	1,082	910	314	306	3,197	*949*
2	5,068	3,030	999	4,029	378	153	661	500	911	756	369	320	2,968	*997*
3	5,259	3,733	537	4,270	361	140	628	562	886	738	408	365	3,038	*975*
	Percentage change, quarter on corresponding quarter of previous year													
1975 *3*	*− 7·6*	*−17·0*	*+21·1*	*− 6·5*	*+ 0·9*	*− 2·9*	*−18·2*	*+ 9·0*	*− 6·3*	*− 7·8*	*− 5·8*	*−48·4*	*+ 0·8*	*− 5·2*
4	*+ 4·1*	*+ 8·0*	*− 1·6*	*+ 4·7*	*+13·9*	*+13·0*	*− 5·2*	*+26·5*	*− 4·8*	*− 5·0*	*−16·8*	*−31·1*	*+16·4*	*−23·5*
1976 *1*	*+14·4*	*+35·4*	*−16·6*	*+13·1*	*+ 9·8*	*+ 4·7*	*+25·5*	*+21·3*	*− 3·3*	*− 5·5*	*+ 67·5*	*−61·8*	*+29·6*	*+ 4·6*
2	*+28·5*	*+23·3*	*+29·1*	*+25·3*	*+28·6*	*+36·9*	*+49·2*	*+18·0*	*+ 7·3*	*+ 8·7*	*+ 12·2*	*−27·0*	*+47·8*	*+13·3*
3	*+35·4*	*+24·2*	*+52·4*	*+34·3*	*+22·2*	*+19·8*	*+51·3*	*+ 6·4*	*+18·1*	*+21·8*	*+ 96·9*	*−21·2*	*+53·5*	*+14·0*
4	*+35·3*	*+24·4*	*+58·2*	*+35·1*	*+31·6*	*+46·7*	*+39·1*	*+24·8*	*+34·4*	*+42·3*	*+103·8*	*−13·4*	*+43·0*	*+47·6*
1977 *1*	*+31·5*	*+32·8*	*+42·7*	*+35·9*	*+27·0*	*+45·9*	*+10·1*	*+11·7*	*+29·0*	*+35·4*	*+ 52·4*	*+163·8*	*+28·5*	*+ 2·4*
2	*+11·9*	*+35·1*	*−20·1*	*+15·4*	*− 4·5*	*−14·0*	*+ 3·3*	*+12·4*	*+ 6·2*	*+ 8·5*	*+167·4*	*+ 64·1*	*+ 2·6*	*+ 3·3*
3	*+ 9·0*	*+69·7*	*−64·1*	*+15·5*	*−13·6*	*−30·0*	*−11·3*	*+35·7*	*− 6·3*	*− 4·9*	*+113·6*	*+ 56·0*	*—*	*−12·4*

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memoranda.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the third quarter of 1977 the amount of advance corporation tax included was £293 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies and institutions in proportion to the calendar year estimates of their accruals of taxes on income.
[5] Before providing for depreciation, stock appreciation and additions to reserves.

£ million, seasonally adjusted



Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other[5]	Unidentified items (residual)
1972	10,367	5,255	409	3,145	616	942	29	3,900	940	2,348	1,824	1,325
1973	15,075	7,442	373	5,299	158	1,803	26	4,825	3,764	2,494	3,288	678
1974	15,052	7,829	364	4,489	— 13	2,383	31	6,078	6,147	39	2,516	241
1975	12,281	8,064	442	883	1,037	1,855	39	6,983	2,278	1,764	2,279	—1,062
1976	17,969	11,577	401	3,024	791	2,176	42	7,745	5,163	1,952	4,052	— 985
1974 *1*	4,078	1,613	105	1,464	— 6	902	16	1,295	1,576	— 159	610	740
2	3,945	2,135	83	1,229	— 13	511	3	1,431	1,953	237	234	87
3	3,502	1,812	87	981	14	608	6	1,565	1,569	— 70	412	20
4	3,527	2,269	89	815	— 8	362	6	1,787	1,049	31	1,260	— 606
1975 *1*	3,027	1,840	119	770	25	273	22	1,559	583	285	327	251
2	2,701	1,871	82	172	329	247	5	1,623	508	— 388	1,236	— 283
3	2,769	1,812	123	— 281	334	781	6	1,947	463	1,398	— 227	— 818
4	3,784	2,541	118	222	349	554	6	1,854	724	469	943	— 212
1976 *1*	3,614	2,699	116	— 70	218	651	22	1,546	837	103	1,001	105
2	4,639	2,731	98	985	429	396	6	1,866	1,143	702	1,259	— 337
3	4,210	2,575	90	824	129	592	7	2,141	1,341	768	590	— 637
4	5,506	3,572	97	1,285	15	537	7	2,192	1,842	379	1,202	— 116
1977 *1*	4,935	3,240	109	699	27	860	29	1,859	1,601	— 69	297	1,218
2	4,470	2,712	90	637	323	708	8	2,323	1,402	358	1,220	— 840
3	3,936	2,522	53	525	178	658	19	2,425	377	875	831	— 591

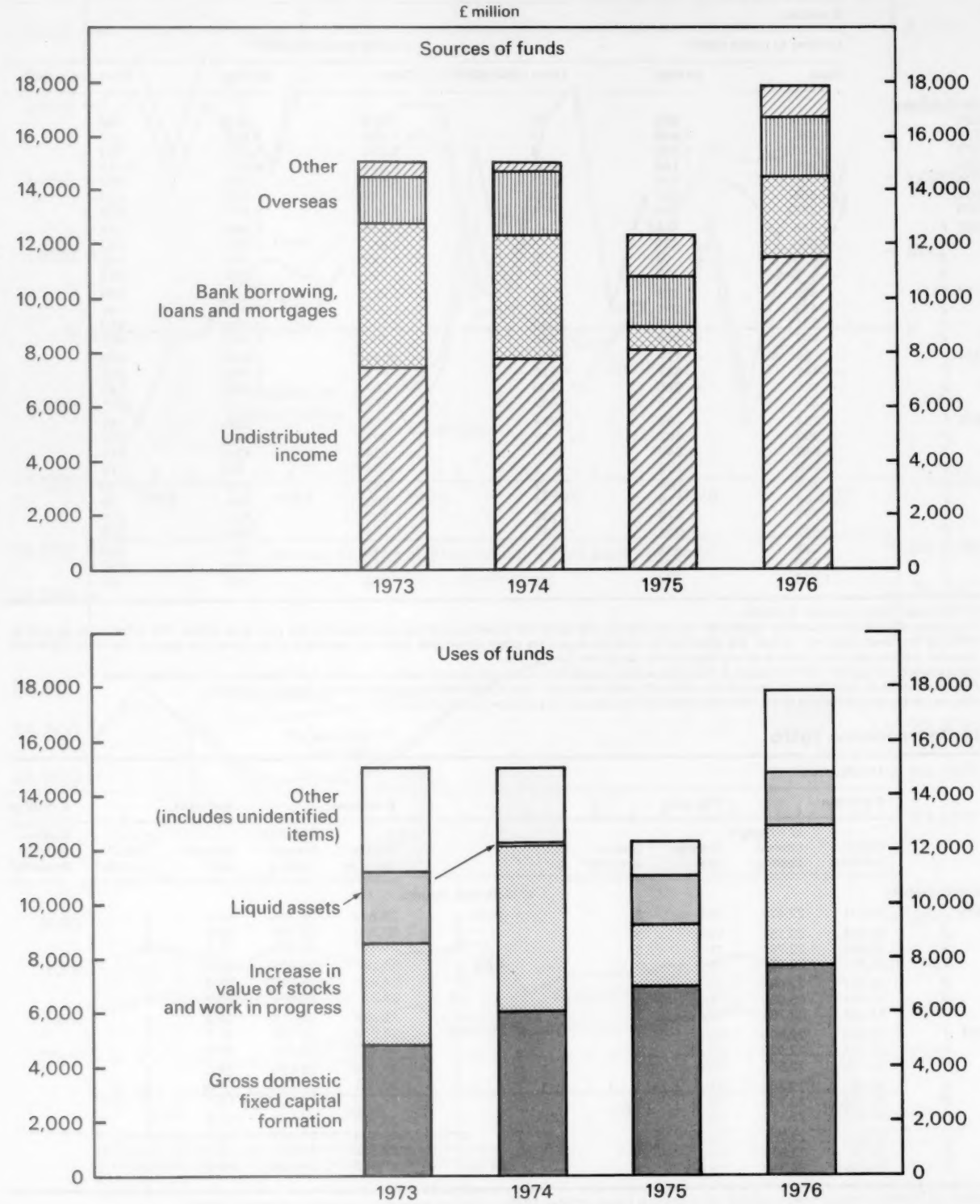
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items. [3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.
[5] Including figures of large companies transactions in British government securities (for further information see *Financial Statistics Explanatory Handbook*).

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Local authority temporary debt	Deposits with banking sector[1,2]	Deposits with building societies	Deposits with finance houses[1]	Other identified[1,3]	Total identified[1]	Bank advances[1,4]
1972 *3*	350	5,993	188	154	157	6,842	8,960
4	359	6,851	188	170	157	7,725	9,730
1973 *1*	395	7,230 / 7,225	183	182 / 180	88	8,078 / 8,071	10,551 / 10,649
2	472	7,202	200	205	87	8,166	11,370
3	488	8,487	175	242	85	9,477	12,561
4	483	9,126	160	217	85	10,071	14,421
1974 *1*	519	8,949	161	176	54	9,859	15,423
2	509	8,897	166	193	52	9,817	16,772
3	518	9,142	172	157	168	10,157	17,387
4	484	9,038	180	122	97	9,921	18,019
1975 *1*	424	9,336	181	163	58	10,162	18,316
2	415	9,269 / 9,473	183	173	115 / 112	10,155 / 10,356	19,049 / 17,489
3	434	10,409	184	159	385	11,571	17,562
4	459	10,767 / 10,757	185	136	355	11,902 / 11,892	17,679 / 17,727
1976 *1*	443	10,739	222	183	566	12,153	17,726
2	425	11,182	251	193	700	12,751	19,206
3	414	12,180	273	203	443	13,513	19,955
4	579	12,376	289	210	389	13,843	20,923
1977 *1*	477	12,378	314	202	360	13,731	21,255
2	388	12,665	364	229	397	14,043	21 955
3	317	13,134	404	226	709	14,790	22,075

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[4] Including refinanceable export and shipbuilding credits with effect from mid-May 1972.


£ million
Sources of funds
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Other
Overseas
Bank borrowing, loans and mortgages
Undistributed income
1973
1974
1975
1976
Uses of funds
Other (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1970	913	893	20	1,315	829	486
1971	1,666	1,648	18	1,856	1,625	231
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,364	3,081	283	139	− 386	525
1976	271	− 163	434	3,515	3,137	378
1972 *1*[4]	− 316	− 316	—	1,549	1,395	154
2	− 630	− 634	4	1,847	1,604	243
3	− 59†	− 54†	− 5	1,145†	963	182
4	− 8	− 13	5	1,880	1,536	344
1973 *1*[4]	362	319	43	1,523	1,234	289
2	498	261	237	1,072	1,021	51
3	331	− 12	343	2,190	1,780	410
4	647	409	238	2,200	1,793	407
1974 *1*	86	− 177	263	1,339	1,016	323
2	− 441	− 657	216	1,514	1,289	225
3	− 165	− 265	100	1,507	1,359	148
4	1,221	729	492	311	70	241
1975 *1*	204	− 94	298	139	180	− 41
2[5]	1,390	1,402	− 12	207	− 32	239
3	1,640	1,640	—	− 124	− 438	314
4[4]	130	133	− 3	− 83	− 96	13
1976 *1*	200	183	17	150	173	− 23
2	− 64	− 118	54	808	846	− 38
3	777	619	158	1,233	1,022	211
4	− 452	− 657	205	1,134	906	228
1977 *1*	388	− 115	503	1,146	586	560†
2	250	250	—	1,262	1,105	157
3	1,093	844	249	856	793	63

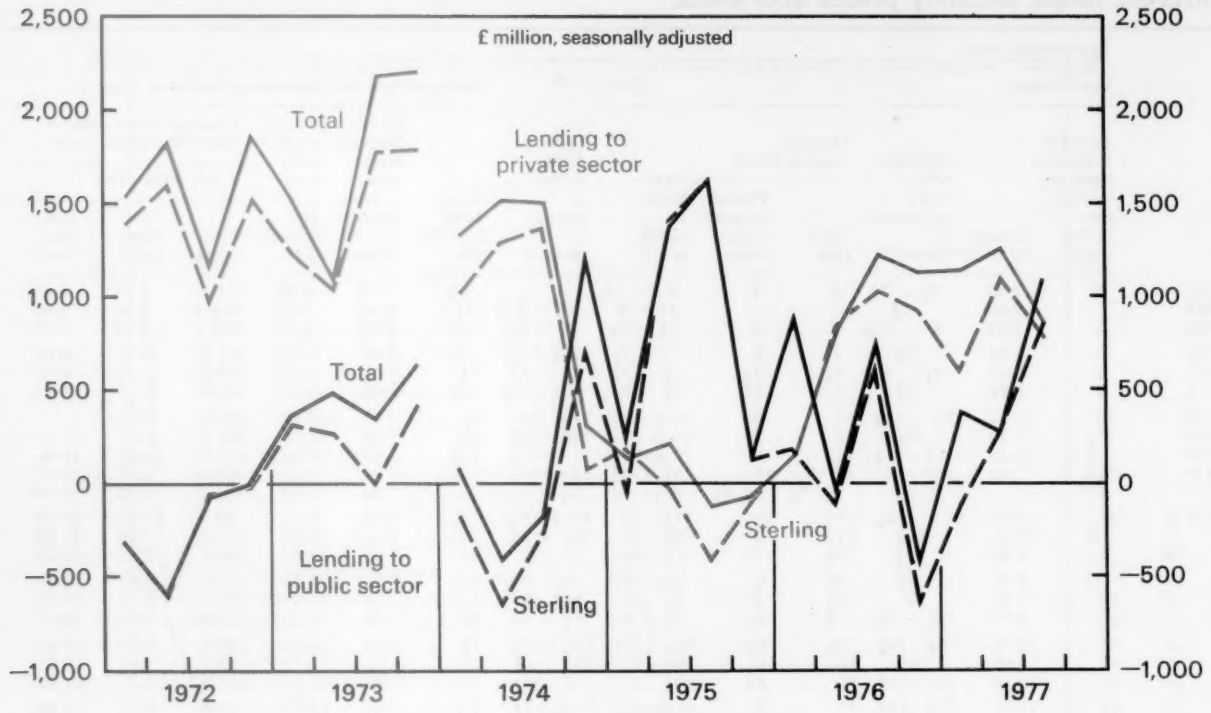
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

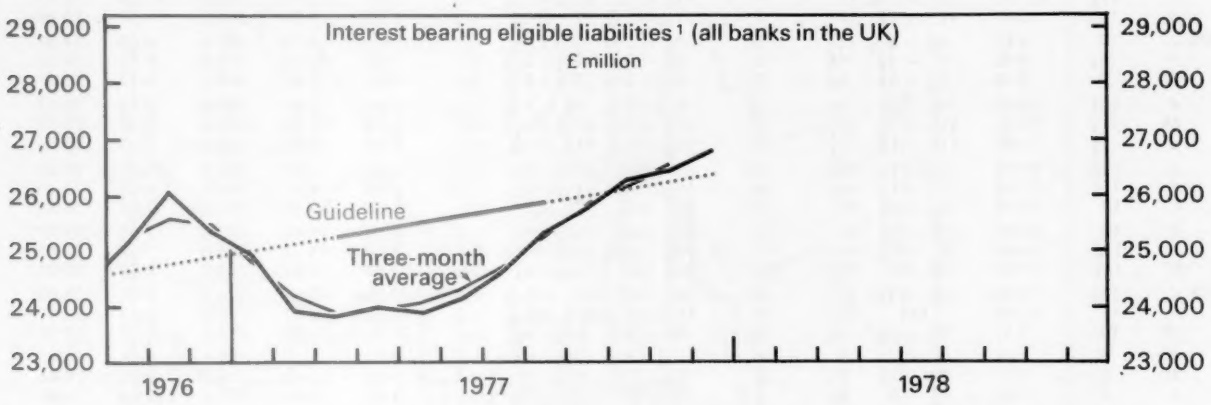
Banks' reserve ratio

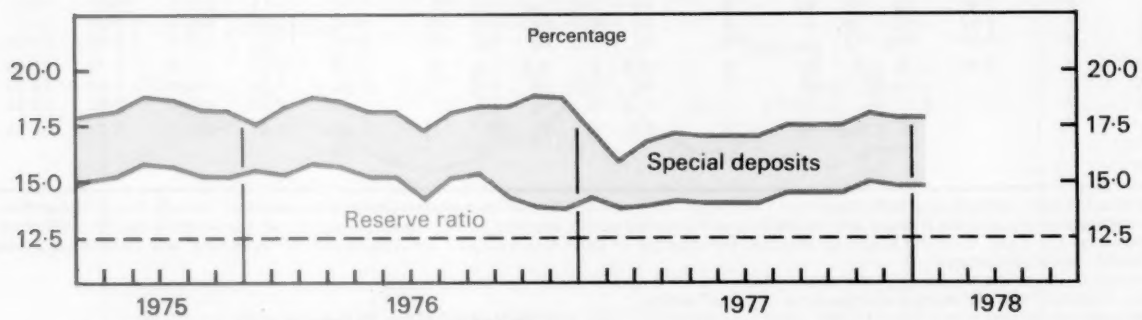
Unadjusted

	£ million		Per cent			£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2]
At mid-month					**At mid-month**					
1975 *J*	32,371	22,477	14·6	3	1976 *O*	36,622	25,215	14·4	4	
J	33,205	23,151	15·0	3	*N*	37,260	26,068	13·9	5	
A	33,044	22,767	15·1	3	*D*	36,877	25,424	13·8	5	
S	32,987	22,851	15·9	3	1977 *J*	36,147	24,996	14·4	3	
O	33,367	22,986	15·7	3	*F*	34,834	23,916	13·8	2	
N	33,451	23,033	15·2	3	*M*	34,977	23,840	13·9	3	
D	33,345	22,764	15·1	3	*A*	35,843	24,010	14·2	3	
1976 *J*	33,046	22,509	15·5	2	*M*	35,824	23,938	14·0	3	1
F	33,204	22,929	15·4	3	*J*	36,279	24,221	14·0	3	—
M	33,106	22,551	15·8	3	*J*	37,094	24,670	14·0	3	1
A	33,907	22,803	15·6	3	*A*	37,691	25,318	14·5	3	
M	33,738	22,739	15·2	3	*S*	38,793	25,802	14·5	3	
J	34,026	23,111	15·2	3	*O*	39,704	26,314	14·5	3	
J	34,987	23,761	14·2	3	*N*	40,205	26,492	15·1	3	
A	35,184	23,955	15·1	3	*D*	40,833	26,785	14·8	3	
S	35,795	24,390	15·4	3	1978 *J*	41,632	27,942	14·8	3	

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.







[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3 month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares (1 July 1935=100): Price index	Dividend yield	Earnings yield[7]
1967		8	7·63	7¾ – 7⅞	8	6	8 1/16 – 8 3/16	..	6 5/16	4·25	6·69	355·0	5·36	6·69
1968		7	6·89	7¾	7	5	7 1/16 – 8	7⅜ – 7 13/16	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅜ – 9½	11 1/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7¼ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅜ – 4¾	4⅜ – 4¾	5⅜	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8⅞ – 9 1/16	8 13/16 – 9 1/16	5 5/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16⅛	13	9½	16 1/16 –16 3/16	15⅜ –16	10⅜	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13¼	12	9½	12 1/16 –12 3/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11½ –11⅜	11	7	11 1/16 –11 1/16	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14½	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16 –14⅛	5 1/16	7·80	14·25	368·0	5·96	17·61
1977		7		6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅝ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1975	*J*	11	10·58	12 –12¼	11½	9½	11¾ –12	11 13/16 –11 15/16	7 7/16	7·50	16·03	183·7	10·99	30·28
	F	10½	10·01	11½	11½	9	10¾ –11	10⅞ –10⅞	7 5/16	7·50	14·94	262·6	7·56	21·66
	M	10	9·59	10½	10½	7½	9⅞ –10 1/16	9⅞ –10	7⅛	7·50	13·92	292·6	6·80	20·35
	A	9¾	9·46	9¾	9½	6¼	9 9/16 – 9⅞	9 1/16 – 9 1/16	6 1/16	7·50	14·58	314·9	6·51	19·30
	M	10	9·67	10	9½	6¼	9⅞ –10	9 1/16 – 9 1/16	6 7/16	7·50	15·22	339·0	6·12	18·09
	J	10	9·71	9½ – 9⅝	9½	6¼	9⅝ – 9 1/16	9⅜ – 9½	6¾	7·00	14·70	332·6	6·06	18·07
	J	11	10·72	10½ –10⅝	9½	6¼	10⅜ –10 11/16	10½ –10⅜	7⅛	7·00	14·06	304·4	6·68	19·62
	A	11	10·66	10½	10	6½	10⅜ –10 9/16	10⅜ –10½	7⅜	7·00	14·12	298·3	6·94	19·91
	S	11	10·76	10⅝ –10⅞	10	6½	10½ –10 11/16	10⅜ –10¾	7 15/16	7·00	14·08	328·9	6·31	17·58
	O	12	11·74	11⅜ –11⅝	11	7	11 9/16 –11¾	11 7/16 –11½	6 1/16	7·00	14·90	341·9	6·14	16·88
	N	11½	11·30	11⅜ –11 7/16	11	7	11¼ –11⅜	11 3/16 –11 5/16	7 1/16	7·00	14·79	367·9	5·76	16·02
	D	11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·86	365·8	5·74	15·98
1976	*J*	10	9·52	9⅞ – 9 15/16	10½	6½	9⅜ – 9 1/16	9 7/16 – 9½	5⅜	7·00	13·78	397·0	5·30	14·91
	F	9¼	8·80	9 – 9¼	9½	5½	8⅜ – 8⅞	8 1/16 – 8 1/16	5⅜	7·00	13·54	404·2	5·17	14·99
	M	9	8·60	8⅜ – 8½	9½	5½	8 9/16 – 8 1/16	8 7/16 – 8 9/16	5 1/16	7·00	13·95	404·7	5·12	15·01
	A	10½	10·20	10 1/16 –10½	9½	5½	9 1/16 –10 1/16	9⅞ – 9 1/16	5 7/16	7·00	13·97	406·0	5·13	15·17
	M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 5/16 –11 7/16	6⅜	6·50	13·72	406·6	5·26	15·19
	J	11½	11·30	11⅜ –11¼	10½	6½	11⅜ –11 7/16	11¼ –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
	J	11½	11·17	11 3/16 –11¼	10½	6½	11 3/16 –11¼	11 3/16 –11¼	5 13/16	6·50	13·95	383·8	5·74	16·44
	A	11½	11·25	11⅜ –11½	10½	6½	11¼ –11 5/16	11 5/16 –11½	5 1/16	6·50	14·11	368·1	6·03	17·55
	S	13	12·74	12¾ –12⅞	12	8½	12½ –12¾	12½ –12⅝	5⅝	6·50	14·47	344·0	6·52	19·23
	O	15	14·97	15½ –15⅝	14	11	15⅜ –15⅝	15 7/16 –15½	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14¾	14·54	15 –15½	14	11	14¾ –14 13/16	14 9/16 –14 11/16	5 9/16	7·80	15·22	301·0	7·28	22·66
	D	14¼	13·98	14¾ –15	14	11	14⅝ –14⅞	14 1/16 –14⅜	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	12·09	12⅞ –13 1/16†	13	9½	12⅛ –12⅜	12 –12 1/16	5¼	7·80	13·67	374·7	6·01	18·69
	F	12	11·06	11⅞	11½	8	11 3/16 –11 9/16	11⅛ –11 7/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9½ – 9⅝	9½	6½	9¼ – 9 1/16	9 9/16 – 9⅝	5 3/32	7·80	12·85	418·2	5·39	16·91
	A	8½	7·64	8½	9	4½	7 1/16 – 8 1/16	7 1/16 – 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7¾ – 7⅞	8½	4	7 1/16 – 7 1/16	7 1/16 – 7⅜	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7⅞ – 8	8½	4	7⅞ – 8	7⅞ – 7 1/16	5 1/16	7·00	12·35	450·5	5·19	15·83
	J	8	7·44	7⅜ – 7¾	8½	4	7⅜ – 7 1/16	7 5/16 – 7 1/16	6¼	6·70	13·11	443·1	5·37	16·09
	A	7	6·52	6⅜ – 6¾	8	4	6⅜ – 6¾	6⅜ – 6 1/16	6⅜	6·70	12·56	478·6	5·23	15·26
	S	6	5·37	5 1/16 – 5⅞	7	3	5¾ – 5 1/16	5⅜ – 5 23/32	6 23/32	6·70	11·52	522·8	5·08	14·98
	O	5	4·53	4¾ – 5	6	3	4 3/16 – 5	4 3/16 – 4 5/16	7½	6·70	10·84	511·9	5·26	15·55
	N	7		6¾	6	3	6½ – 7⅛	6⅜ – 6 11/16	7 3/32	6·00	11·04	480·5	5·56	16·72
	D	7		6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·56	16·83
1978	*J*	6½		6¼ – 6 5/16	6½	3	6 5/16 – 6½	6⅛ – 6¼	7 13/16	6·00	10·67	482·3	5·57	16·96
	F									5·50				
	M													

[1] Previously known as Bank rate. With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday. For changes in Bank rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

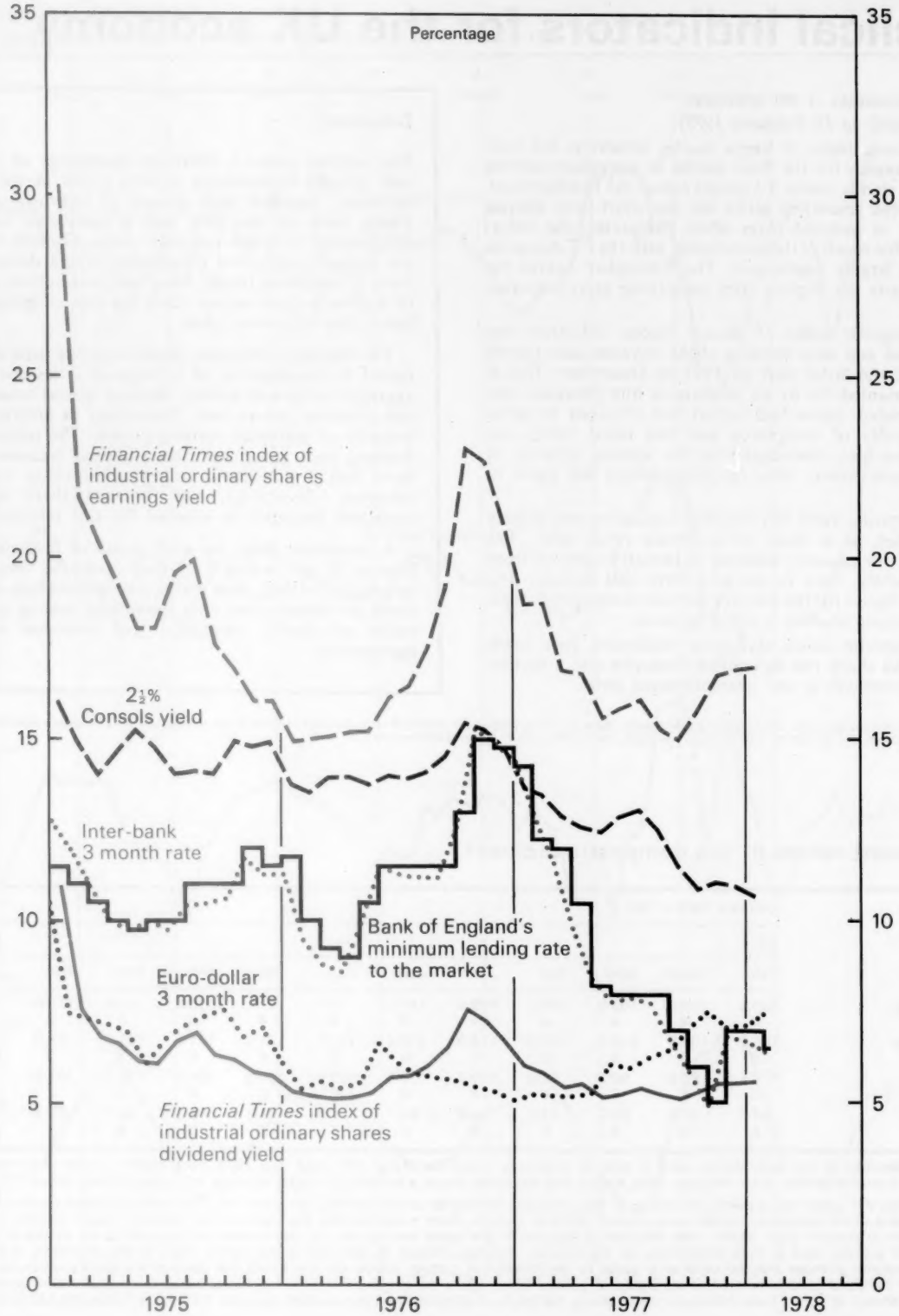
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for the month of February is therefore available.


Percentage
35
30
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Inter-bank 3 month rate
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1975
1976
1977
1978

Cyclical indicators for the UK economy

Recent movements of the indicators
(data available to 10 February 1978)

The composite index of *longer leading* indicators fell back again in January for the third month in succession and the index now stands nearly 3·5 points below the October level. A rise in the smoothed series for the short-term interest rate (used in inverted form when computing the index) accounted for much of this movement, with the FT-Actuaries 500 index largely unchanged. The December figures for housing starts fell slightly after smoothing erratic fluctuations.

The composite index of *shorter leading* indicators has been revised and now shows a slight increase each month throughout the latter part of 1977 to December. This is largely accounted for by an increase in hire purchase new credit extended (smoothed series) but revisions to gross trading profits of companies and the latest values for bankruptcies also contributed to the upward revision of the composite index. New car registrations fell again in December.

The composite index of *coincident* indicators rose slightly in December, as a result of increased retail sales. The latest value for capacity working in industry, derived from the CBI survey, used in inverted form, fell slightly. The November figures for the index of manufacturing production after smoothing showed a slight increase.

The composite index of *lagging* indicators rose again reflecting the sharp rise in unfilled vacancies and a further slight improvement in the unemployment series.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude and inversion where appropriate.

Note: Because of a change in the law concerning insolvencies, there is a sharp drop in the published series for bankruptcies in the first quarter of 1977. Before detrending and incorporation into the shorter leading composite index, this series has been adjusted onto a consistent basis.

Most recent values of the composite indices[2]

January 1970 = 100

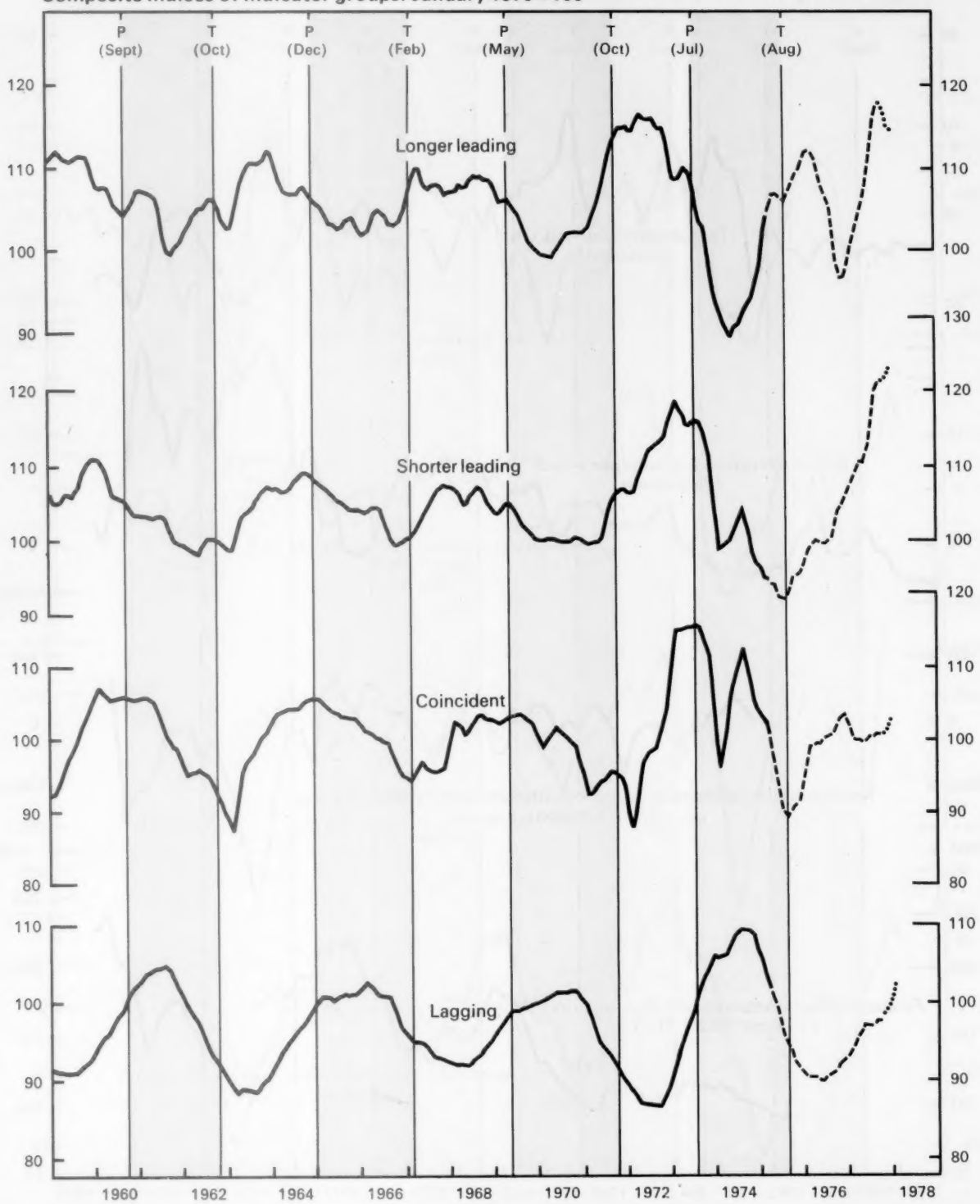
	1977											1978
	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Longer leading	100·6	102·2	103·9	105·2	108·1	111·1	115·4	117·1	118·0	116·9	115·0	114·6
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*2*
Shorter leading	108·2	109·5	110·4	110·3	113·0	116·2	120·1	121·0	121·1	121·9	123·0	
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*3*	*3*	*3*	
Coincident	100·1	99·8	99·8	99·6	100·2	100·3	100·8	100·6	100·8	101·4	102·8	
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*3*	*2*	
Lagging	94·3	95·3	96·0	96·9	96·9	96·7	97·5	97·3	98·2	99·1	100·3	102·2
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*3*	*3*	*2*	*2*

[1] A full explanation of the methodology used is given in *Economic Trends* for March 1975 and May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

Cyclical indicators

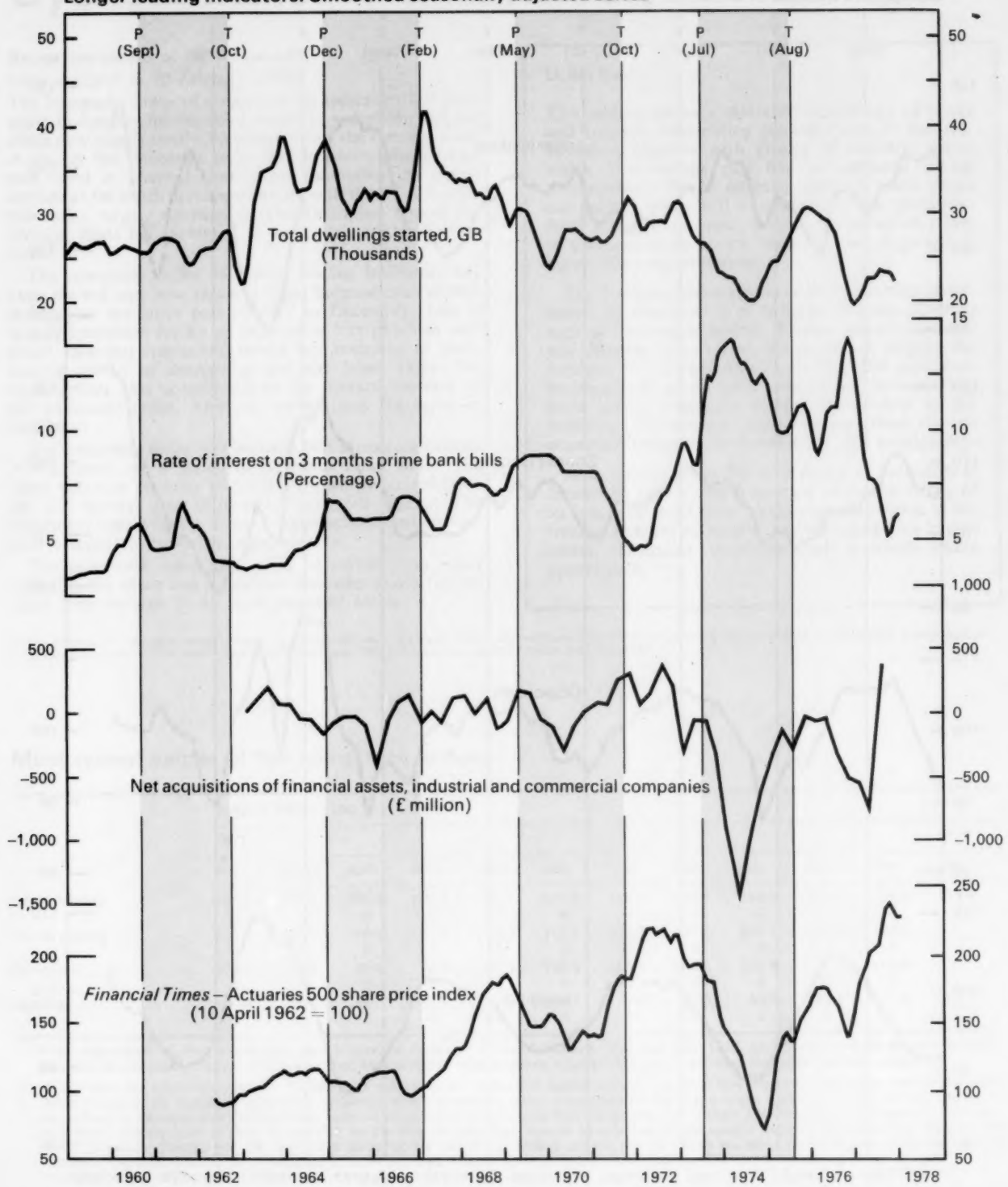
Composite indices of indicator groups. January 1970=100



P = Peak T = Trough

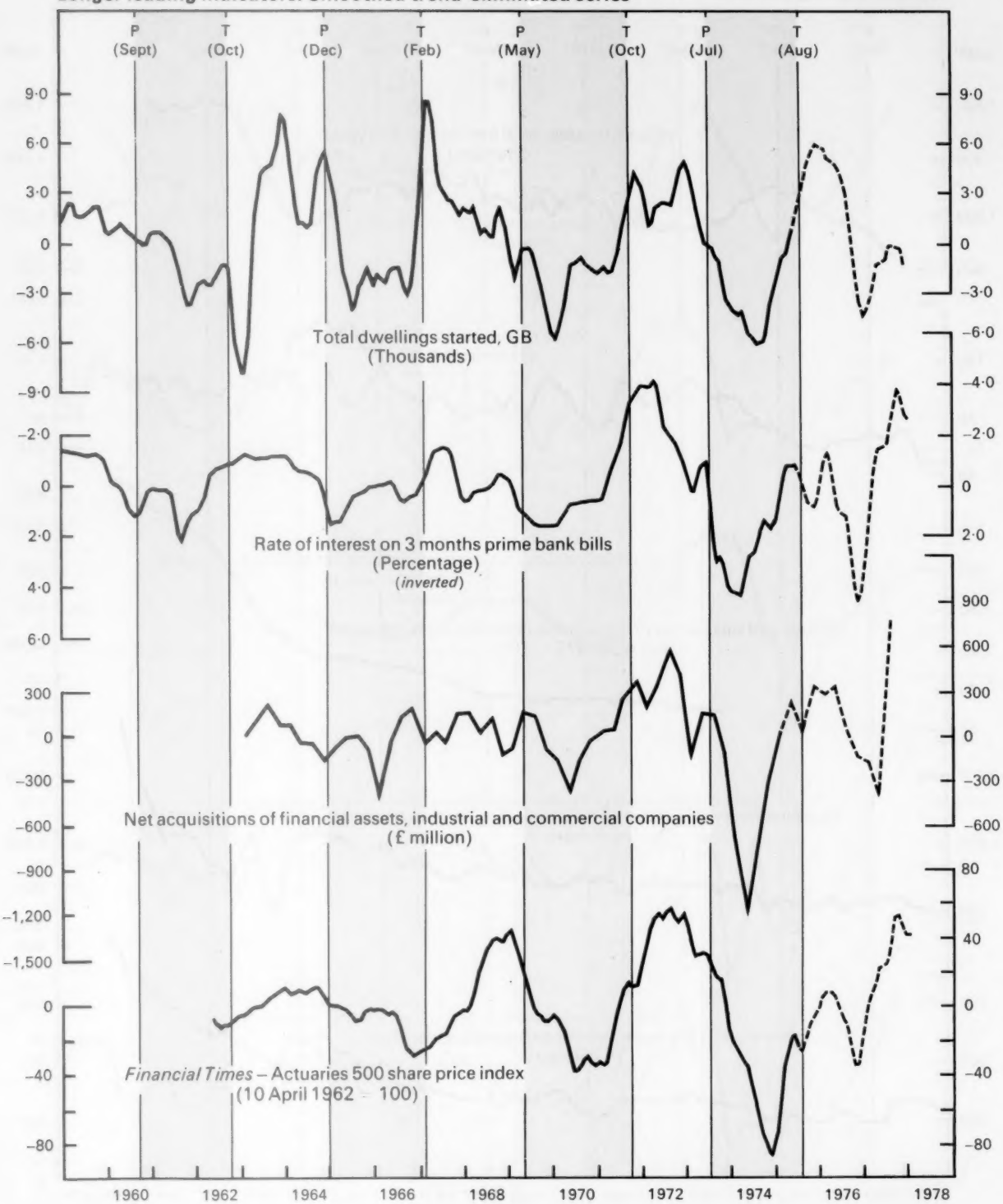
Cyclical indicators by timing classification

Longer leading indicators. Smoothed seasonally adjusted series



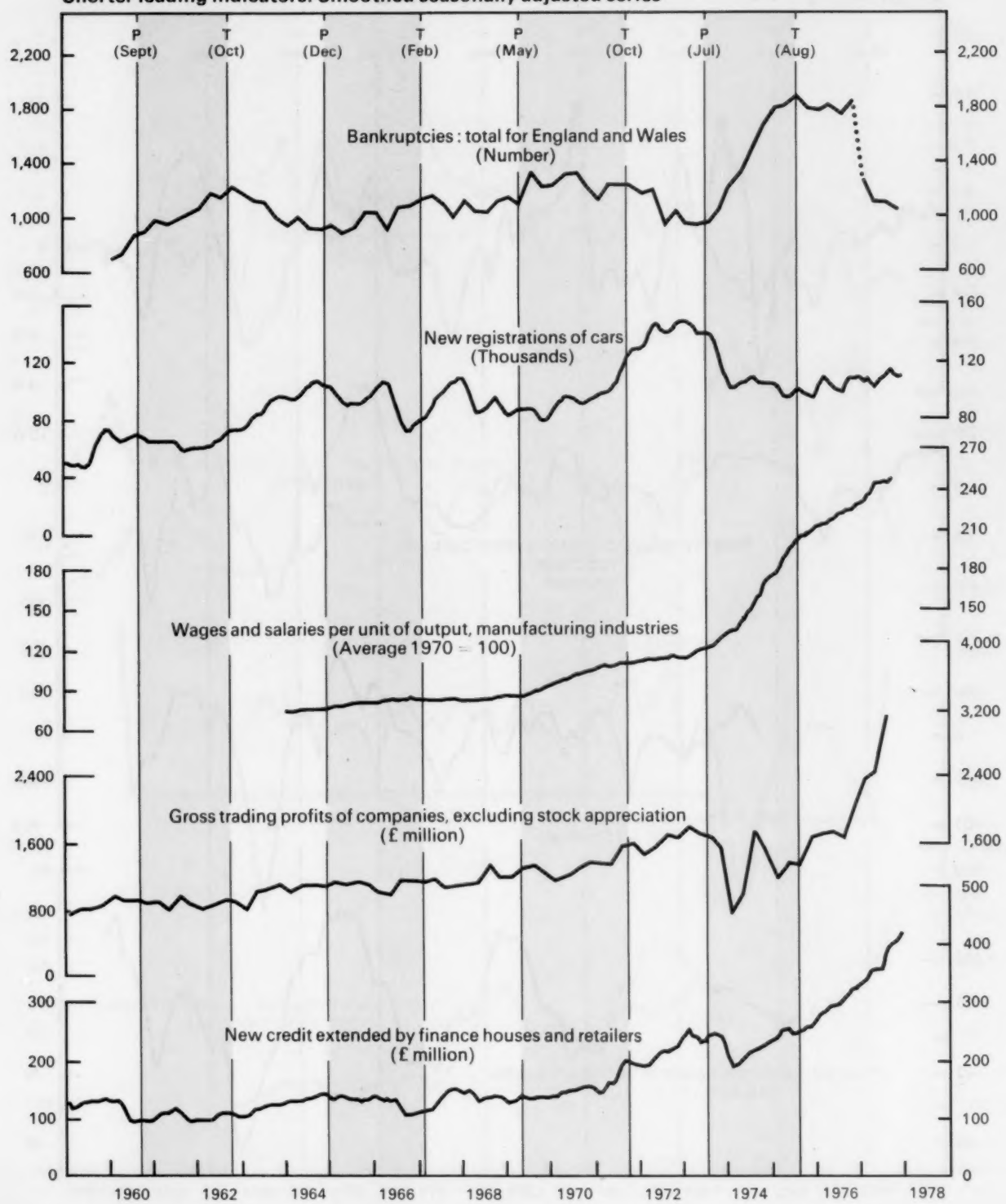
Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series



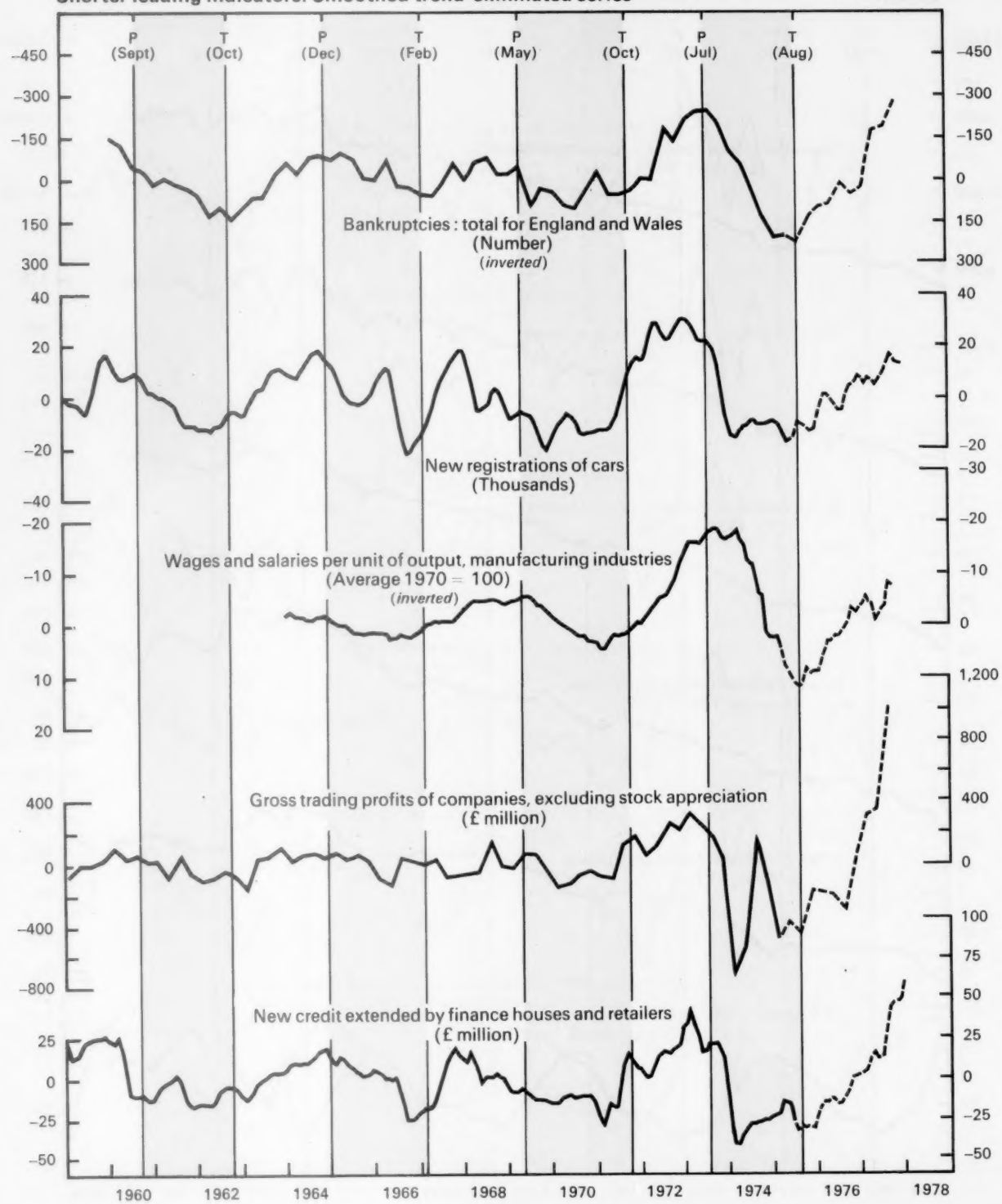
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed seasonally adjusted series



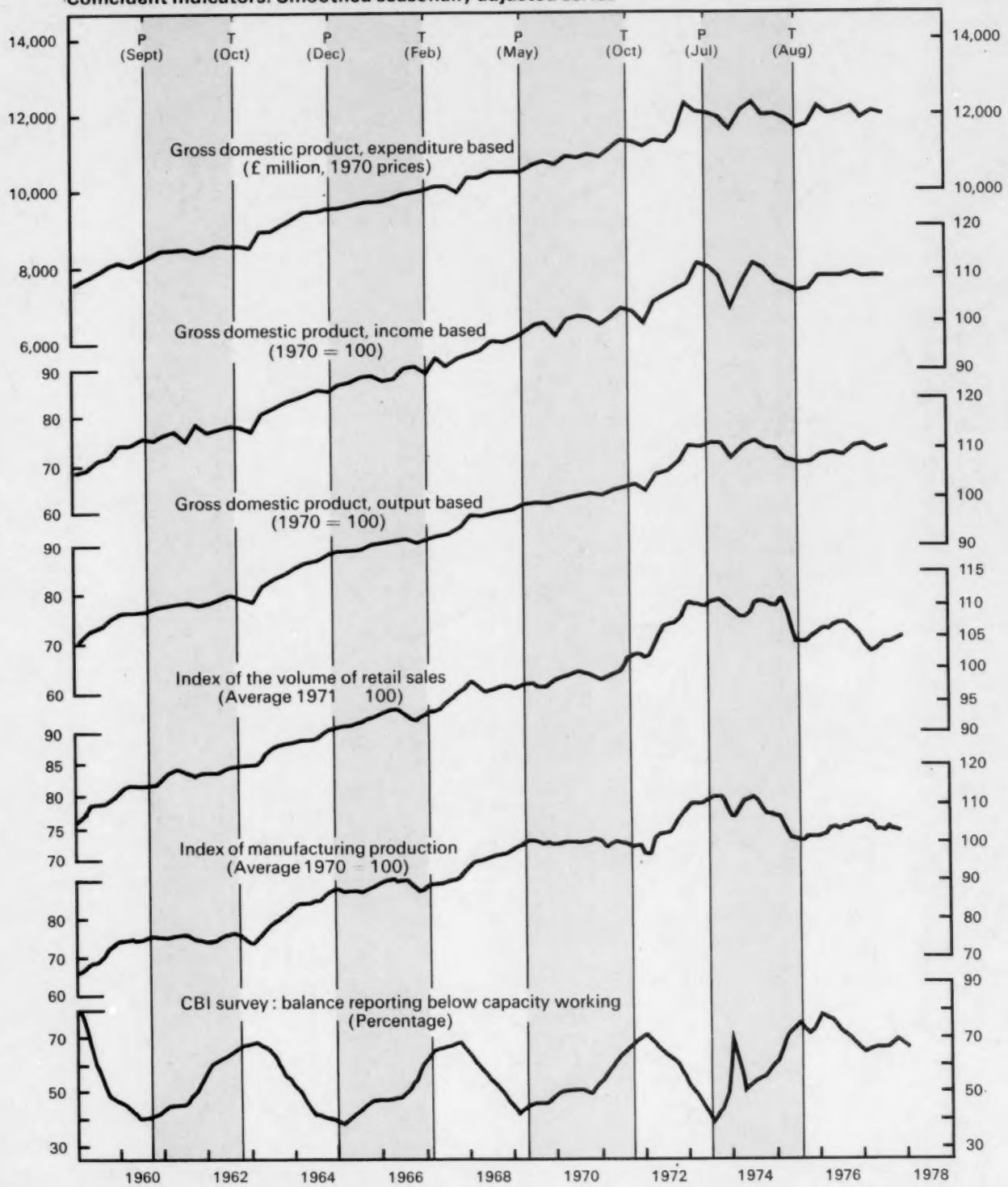
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed trend-eliminated series



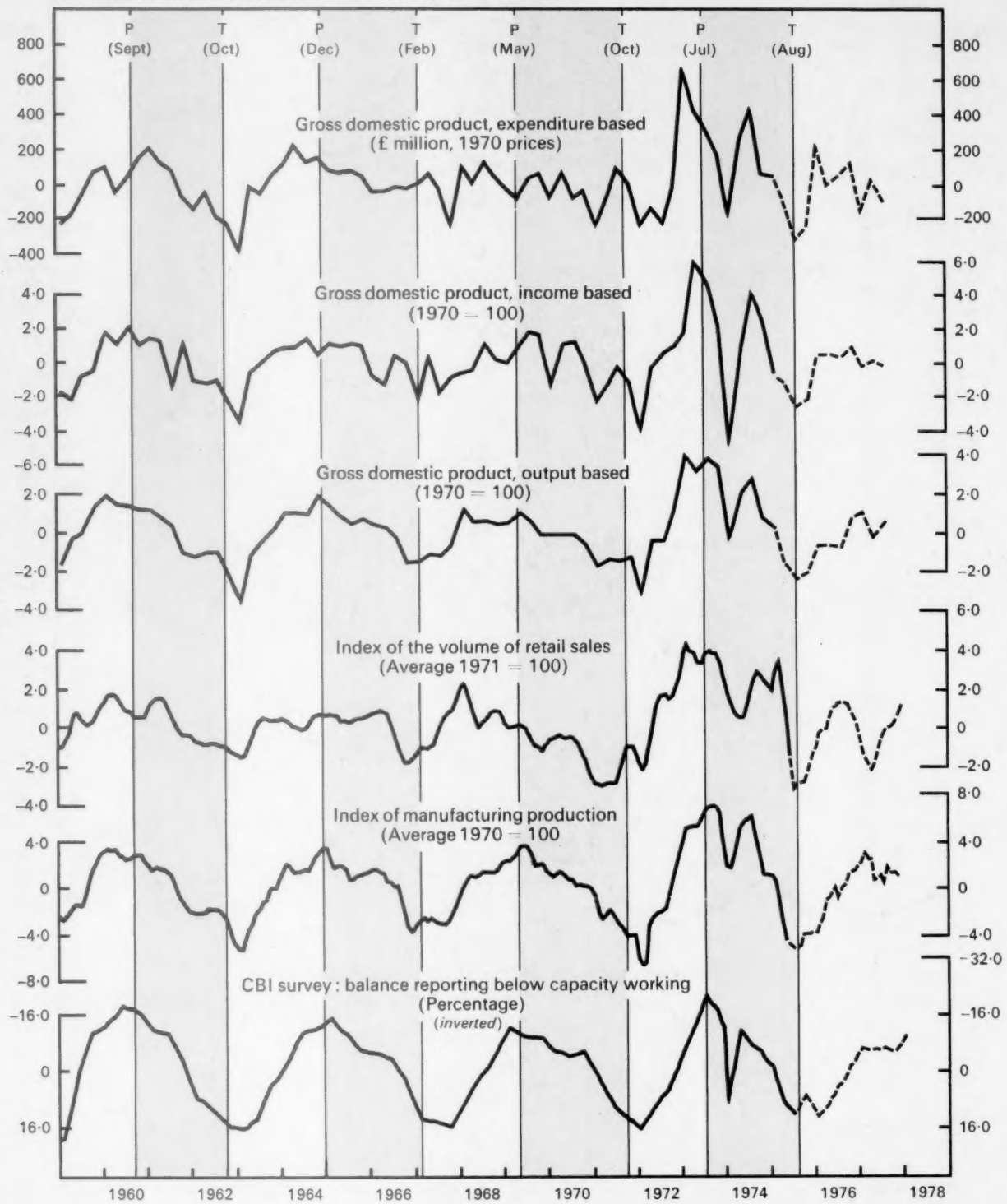
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



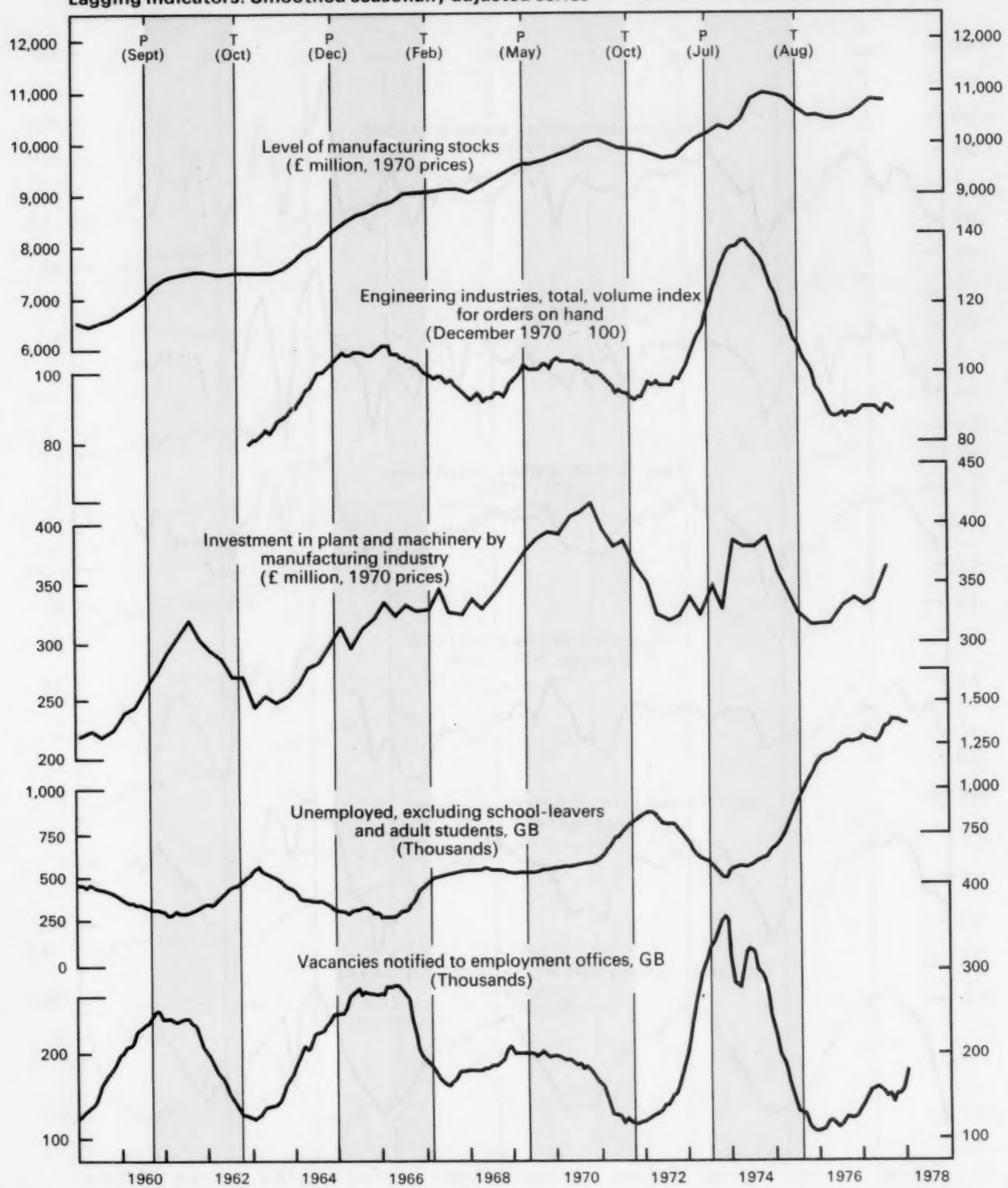
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



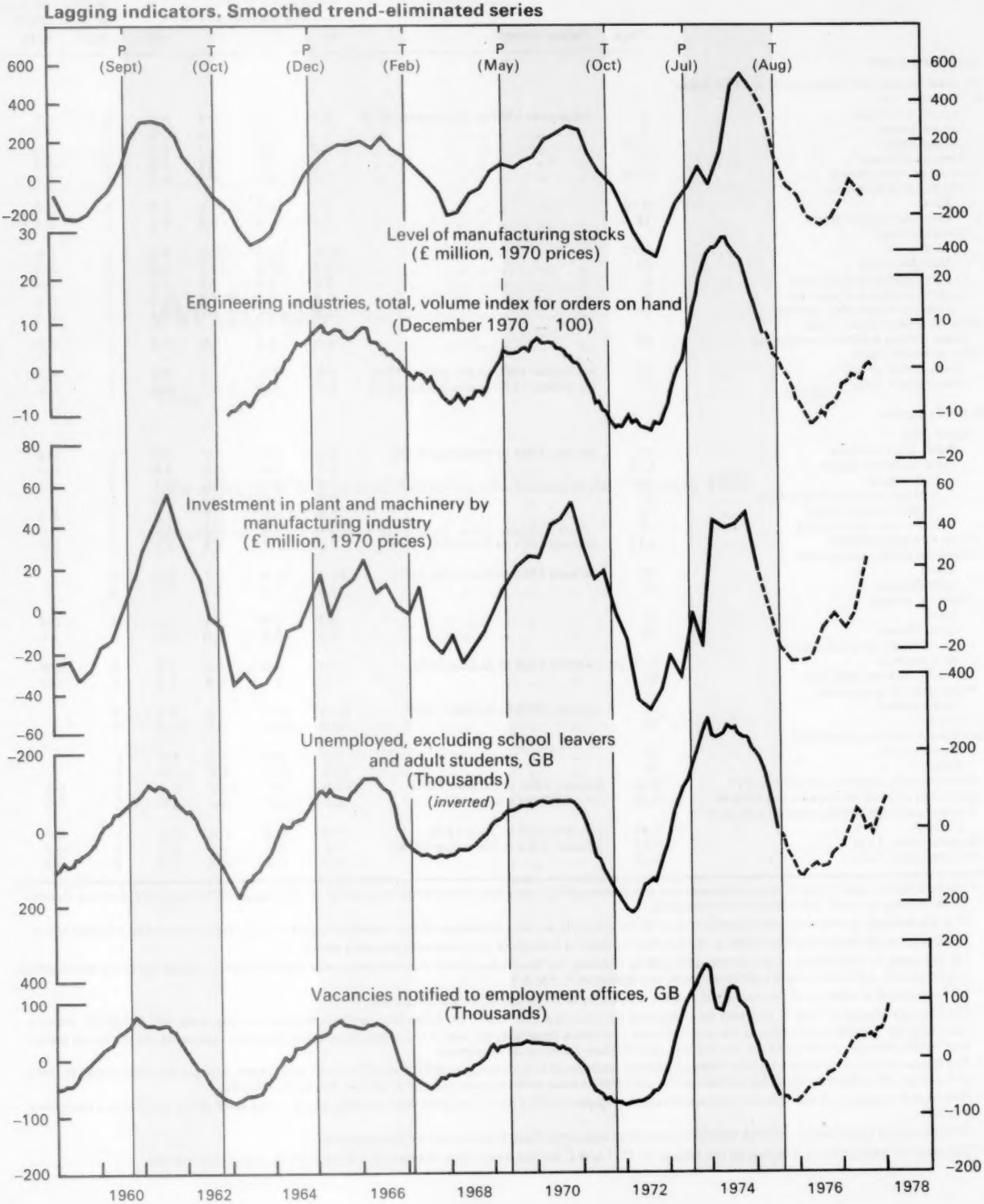
Cyclical indicators by timing classification

Lagging indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1966 to 2nd quarter 1977	1·4	1·0	0·9	1·2	2	0·5
Income based	6	" " " " " " "	1·7	1·1	1·2	1·0	2	1·0
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·8	1	0·8
Average estimate	6	" " " " " " "	1·2	0·7	0·8	0·9	2	0·9
Consumers' expenditure	8,10	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	2·2	1·7	1·1	1·5	2	0·6
Manufacturing industry	18	" " " " " " "	3·8	2·7	2·3	1·2	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*99·5*	*73·9*	*60·3*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*76·2*	*50·8*	*39·7*	1·2	2	0·6
Exports: goods and services	8	" " " " " " "	3·8	3·2	2·1	1·5	2	0·5
Imports: goods and services	8	" " " " " " "	3·0	2·2	1·8	1·3	2	0·4
Personal disposable income	10	" " " " " " "	1·6	1·1	1·1	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " " "	4·0	2·6	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1963 to 4th quarter 1976	2·0	1·2	1·4	0·9	1	0·9
Money stock (M_3)[3]	50	1st quarter 1963 to 4th quarter 1974	2·7	0·5	2·7	0·2	1	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to November 1976	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	3·3	4	0·9
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·3	6·0	6	
Durable goods shops	12	" " " " "	1·8	1·6	0·7	2·1	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·4	2·7	3	0·9
Cars: new registrations	5,12	January 1971 to December 1976	7·6	7·2	1·9	3·8	5	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1976	11·7	11·4	1·7	6·8	6	
Completions	20	" " " " "	7·9	7·7	1·1	7·2	6	
Housing; private								
Starts	20	" " " " "	8·2	7·8	2·4	3·3	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·4	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1968 to August 1976	1·0	0·9	0·4	2·6	4	0·8
Manufacturing industries	26	" " " " "	1·2	1·1	0·4	2·8	4	0·7
Passenger car production:								
Home market	32	January 1968 to October 1976	11·8	11·7	1·9	6·1	6	
Export	32	" " " " "	10·9	10·8	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·4	6·4	6	
Export	32	" " " " "	10·8	10·5	1·5	7·1	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to October 1976	*13·8*	*4·9*	*12·6*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	July 1960 to October 1976	*6·0*	*2·5*	*5·4*	0·5	1	0·5
Average earnings all industries and services covered	5,40	January 1963 to June 1976	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3] and [5].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

Articles

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The effects of taxes and benefits on household income, 1976

G. A. STEPHENSON, Central Statistical Office

Articles on the incidence of taxes and social security benefits have been published in *Economic Trends* annually since the early sixties. Their general purpose has been to show how taxation and public expenditure on social services, cash benefits and consumer subsidies affect the observed distribution of income between different types of households. The present article continues the series with estimates for 1976.

Changes in presentation

There are substantial changes this year in the format and content of the article. Whereas previous articles have presented analyses for a single year, this time a comparison is given between the latest year, 1976, and the situation five years earlier, in 1971. Also the substantive discussion is brought forward in the article and much of the description of methodology is transferred to an appendix.

The choice of a five-year interval is largely arbitrary, though the difficulty of producing data in a suitable form for earlier years, e.g. ten years ago, and the wish to highlight the effect of demographic changes that are not evident in the short term were important considerations.

Another change arose from the problem of interpreting data which are presented in terms of size ranges of income. Valid comparisons over time were difficult because the growth in incomes required the ranges to be changed frequently if the bulk of the sample was not to be concentrated in a few ranges. To overcome these difficulties, most tables are now presented on a quantile basis. The number of households in each table is divided into five, ten or twenty equal groups arranged in ascending order of income, and for each group the average taxes and benefits received and paid are shown*. Generally the summary tables in the text are analysed by quintiles whereas the more detailed tables in Appendix II are analysed by deciles. The tables in the old form are available on request from the Central Statistical Office (see Appendix I).

The article now begins with a section relating total government expenditure and its financing to the household sector. This gives a broad introduction to the methods used in allocating taxes and benefits to different types of households.

The next section contains the main results. It starts with a summary of our findings and then considers each successive stage of redistribution. First we look at the distribution of income before any intervention by the state, either by taxation or by granting benefits (we call this 'original income'). This is then augmented by direct cash payments to households by the state, direct taxes are deducted to leave disposable income, and finally we estimate the effect of indirect taxes, subsidies and direct benefits in kind (e.g. the health service). The results section finishes with some analysis of the overall effects of taxes and benefits on households of various types.

Two appendices are included at the end of the article. The first covers the detailed methodology used in arriving at the estimates in the article, and provides definitions of all the terms used. The second contains the main statistics in the form of tables, showing how the allocated taxes and benefits are made up, and how their impact affects households in different parts of the income distribution.

Government expenditure and its financing

In 1976 public expenditure amounted to £58·5 thousand million. It was financed by receipts of £20·0 thousand million from direct taxes on persons, £16·7 thousand million from indirect taxes falling on expenditure and £21·8 thousand million from other sources such as corporation tax and borrowing (see Appendix II Tables 1 and 2). Households both contribute to and benefit from this expenditure. They pay taxes directly in the form of income tax and national insurance contributions, and indirectly through local rates and the taxes levied on the goods and services they buy. They benefit from public spending on social services, including state education, the National Health Service, and housing and food subsidies, as well as payments in cash.

There are considerable difficulties in moving from these aggregates to apportioning taxes and benefits to individual households. We can obtain information about the types of households that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey. From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their age and the number of children in the household we can determine the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, that are difficult to apportion to individual households and would probably not be thought of by most people as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as expenditure on defence and the maintenance of law and order and capital expenditure, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Consequently, in the estimates in this article, only some 44 per cent of total government expenditure and 60 per cent of total government receipts in 1976 are in the categories which are directly allocated to individual households. Allocated taxes thus make up more of government financing than do allocated benefits of public expenditure. Since this imbalance reflects only the practical and conceptual pos-

* In this article the average benefit received means the average over all households in the group or income range, not the average of only those households that are recipients of the benefit.

sibilities of allocating the individual receipts and expenditures to households, it has no special significance, but it does mean that, on average, households are shown in the tables as paying more in taxes than they receive in benefits. For 1971, 39 per cent of total government expenditure and 65 per cent of total government receipts were allocated. Since the basis for allocation has not changed during the period this means that expenditure on services allocated to households has risen faster than other government expenditure and that allocated taxes have risen slower than those not allocated and other forms of government financing.

Changes in the pattern of redistribution between 1971 and 1976 should be seen against a background of changes in government expenditure and financing. Government expenditure grew faster (152 per cent) than gross domestic product (114 per cent at market prices) during this period. The share of current expenditure on social, environmental and protective services rose from 46·9 to 52·9 per cent of total expenditure, while the share of capital expenditure and other current expenditure fell from 42·8 to 36·4 per cent. At the same time as social services were taking up an increasing share of government expenditure, gross domestic product in real terms rose nearly 10 per cent and it is clear that there was a substantial rise in social service expenditure in real terms.

These increases in expenditure on social services are partly explained by demographic changes, for instance the increases in the health service and cash benefits stem partly from the increasing numbers of elderly persons in the population. Other increases, such as the huge rise of 415 per cent in housing subsidies and the introduction of food subsidies were results of the government's attempt to alleviate the effects of inflation on households. The increase of 132 per cent in allocated taxes was much less than the increase of 182 per cent in allocated expenditure because of the shift in government financing from taxation to other forms of financing, notably borrowing and non-tax receipts. Even so, allocated taxes rose faster than the gross domestic product.

It must be emphasised that the analysis in this article provides only a very rough guide to those persons who benefit from government expenditure and by how much, and those who finance it. Apart from the fact that a large part of expenditure and receipts are not allocated, the methods both of allocating taxes and of valuing and apportioning benefits to individual households are subject to error. For example, in allocating indirect taxes we assume that the full weight of the tax falls on the individual household that buys the item or the service taxed, whereas in reality the tax probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. In the case of benefits such as education, we know only an estimate of the total financial cost of providing the service and so we treat that as the measure of the benefit which accrues to recipients of the service. This procedure is unavoidably imperfect because the value the recipients themselves place on the service they receive may be very different from the cost of providing it, and there may be other households in the community (other than the immediate beneficiaries) who receive a benefit from the general provision of the service (for example, in the case of the health service in lowering the general likelihood of catching infectious diseases).

Further details of the allocation methodology for taxes and benefits are given in Appendix I.

Summary of the results

Table A shows that income is redistributed from households with high incomes to those with low incomes. This can be seen from a comparison between original income and final income. It is clear that, for the lowest three deciles, average final income exceeds average original income and, for the highest four deciles, average original income exceeds average final income. As overall average original income exceeds overall final income (because we can allocate more of taxes than of government expenditure to households, as explained

Summary of results for all households, 1976

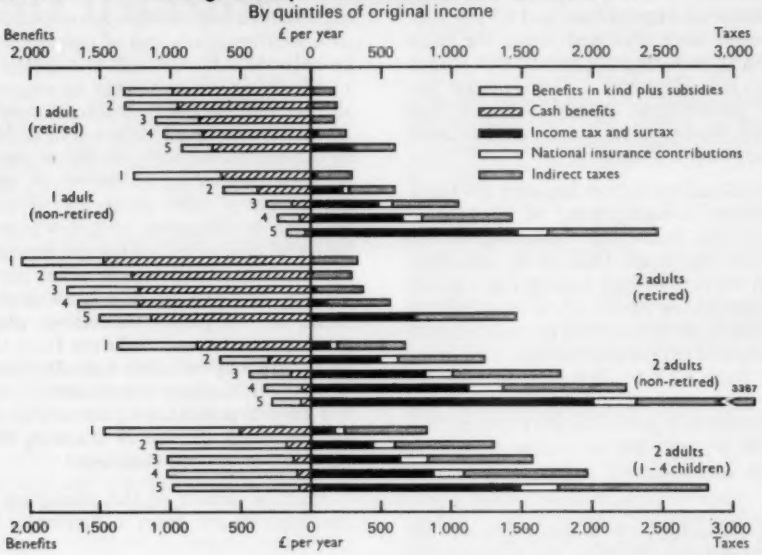
By deciles of original income

TABLE A

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
Number of households in sample	720	720	721	720	720	721	720	720	721	720	7,203
Average											
Number of workers per household	0·1	0·2	0·7	1·1	1·4	1·6	1·8	1·9	2·1	2·5	1·3
Number of persons per household	1·6	1·7	2·0	2·5	2·9	3·1	3·3	3·2	3·3	3·8	2·7
Number of adults per household	1·3	1·5	1·6	1·8	1·9	2·0	2·1	2·2	2·3	2·7	1·9
Number of children per household	0·3	0·2	0·4	0·8	1·0	1·1	1·2	1·0	1·0	1·0	0·8
Number of persons per worker	16·0	8·5	2·9	2·3	2·1	1·9	1·8	1·7	1·6	1·5	2·1
£ per household per year											
Average											
Original income	33	409	1,277	2,376	3,180	3,877	4,585	5,420	6,583	10,066	3,781
Cash benefits	1,147	1,013	879	454	307	227	199	164	157	162	471
Direct taxes	1	17	144	403	618	803	978	1,264	1,567	2,576	837
Disposable income	1,179	1,405	2,011	2,427	2,869	3,302	3,806	4,320	5,173	7,652	3,414
Subsidies	197	138	117	110	125	105	95	86	78	84	114
Indirect taxes	240	294	435	541	672	748	831	922	1,032	1,441	716
Direct benefits in kind	356	406	450	475	570	616	647	604	601	691	541
Final income	1,493	1,654	2,142	2,470	2,891	3,276	3,716	4,087	4,820	6,985	3,354

CHART 1 **Average taxes paid and benefits received—1976**

By quintiles of original income



above), the relationship between original income and final income for the remaining deciles is not clear.

Cash benefits together with direct and indirect taxes have the major redistributive influence. They are in turn related to the characteristics of the households, which are also shown in Table A. The lower income deciles have comparatively few workers per household; they are composed mainly of retired persons and others who are dependent on the state. Thus income is redistributed from households with working people to those who are retired and others who are dependent on cash benefits.

While the number of workers per household rises steadily with income, the average number of their dependents, i.e. persons per worker, falls. Owing to the progressive form of the income tax system, their payments of direct taxes rise faster than their incomes. As a result, there is redistribution of income not only from working to non-working households but also from working households with high incomes to those with fewer workers and lower incomes. The combined effect of subsidies and indirect taxes is also to redistribute income from those with higher to those with lower incomes. Benefits in kind (mainly education and health) tend to be distributed more in line with household size and composition than with income. Thus, households with higher incomes tend to receive more of these benefits because they are larger.

The detailed picture of income redistribution, taking fuller account of different types of households at each income level is very complex. Nevertheless, a few features are clear from Chart 1 which shows average benefits received and taxes paid by different types of households at different income levels (quintiles of their distributions). It is clear that, although the main beneficiaries of cash benefits are retired households, such benefits are also distributed to a significant extent to the low income groups of each type. These groups are also the main beneficiaries of total allocated taxes and benefits because they pay little tax. Households with children also receive significant amounts of subsidies and benefits from health and education expenditures, since children are relatively large consumers of these services. Another feature is that tax payments are largest for non-retired households without children, particularly those with the highest incomes, though households with children also pay relatively large amounts. Thus redistribution is from working households with high incomes and few dependents to those households with few or no workers and those with children.

Both Table A and Chart 1 summarise the redistribution in 1976. In the following detailed discussion of the results comparisons are made with 1971. During the period from 1971 to 1976 the main forms of income redistribution have not changed. However, the economic situation and demographic changes have led to some new developments. This is evident from Table 3 in Appendix II. For example, the general level of direct taxes has increased, so that households on average paid 160 per cent more in 1976 than in 1971 (compared with an increase of 110 per cent in original incomes), although the lowest deciles with little original income were virtually unaffected. The average level of benefit

from subsidies increased more than fivefold in money terms during the period, reflecting an attempt to alleviate the effects of inflation on the poor. Indeed, the impact of subsidies was greater on the lowest deciles in 1976 than in 1971. The main demographic change has been the increase in the proportion of retired households in the population. This increase has been one factor in the very large increases in cash benefits paid as retirement pensions.

Tables 3 and 4 in Appendix II show the principal results of the redistribution anaylsis. The tables show the allocation of the main categories of benefits and taxes to different household types for 1971 and 1976. The tables showing the effects analysed by decile for all households in the sample are arranged in two different orders: in Table 3 households are arranged by original income (i.e. income before any intervention by the state, either the receipt of cash benefits, such as retirement pensions, etc., or payment of taxes) and in Table 4 by disposable income. For original income a distribution by size ranges is shown for 1976 in Table 5.

The first ordering is mainly of interest for showing which households are in most need of benefits because of their low original incomes and, at the other end of the scale which are those with the higher taxable incomes. After original incomes are modified by taxes and benefits, households are re-ranked by their resulting disposable incomes. Thus a household consisting of a pensioner couple will receive a higher combined pension than a single pensioner, and a family with several children will pay less tax than a single person with the same household income. The tables of households ranked by disposable income are of more interest for gauging the effects of indirect taxes and subsidies, which are related mainly to what a household buys. The incidence of benefits in kind varies mainly according to household structure, for example the number of children and elderly persons in the household.

Original income

In the period 1971 to 1976 the average original income of households more than doubled, from £1,802 per annum to £3,781 per annum. This is slightly slower than the rate at which individual earnings rose (110 per cent as against 120 per cent). One reason for this difference is the fall in the average size of household from 2·9 persons to 2·75 persons; if personal income and other factors remained unchanged while household size decreased then household income would decrease.

The growth of original income of households in the bottom three deciles was considerably below the overall rate.

Household composition, 1971 and 1976

By quintiles of original income

TABLE B

	Percentages											
	1971						1976					
	Quintiles						Quintiles					
	1	2	3	4	5	Average over all quintiles	1	2	3	4	5	Average over all quintiles
1 and 2 adult retired	72	12	2	1	1	18	77	25	2	1	1	21
1 and 2 adult non-retired	15	46	33	31	26	30	11	44	33	35	28	31
2 adults 1–4 children non-retired	4	27	48	37	25	28	3	18	44	40	24	26
Others	9	15	17	30	48	24	9	13	15	24	47	22
Total	100	100	100	100	100	100	100	100	100	100	100	100
Number of households in the sample	1,448	1,448	1,447	1,448	1,448	7,239	1,440	1,441	1,441	1,440	1,441	7,203

Average number of workers per household, 1971 and 1976

By quintiles of original income

TABLE C

	1971						1976					
	Quintiles						Quintiles					
	1	2	3	4	5	Average over all quintiles	1	2	3	4	5	Average over all quintiles
1 and 2 adult retired	—	—	—	—	0·2	—	—	0·1	0·2	0·1	0·1	—
1 and 2 adult non-retired	0·8	1·1	1·4	1·7	1·7	1·4	0·6	1·1	1·4	1·7	1·7	1·4
2 adults 1–4 children non-retired	0·6	1·3	1·5	1·6	1·6	1·5	1·0	1·3	1·5	1·7	1·7	1·5
Others	0·4	1·2	1·8	2·4	2·9	2·2	0·4	1·2	2·0	2·4	3·1	2·3
All households in the sample	0·2	1·1	1·5	1·8	2·3	1·4	0·2	0·9	1·5	1·8	2·3	1·3

The main reason for this difference is the large number of retired households at this end of the distribution, many of which are pensioner households with little or no income apart from state benefits. Their original incomes being zero or very small and fixed do not grow in line with earnings.

The proportion of different household types in each quintile of original income is summarised in Table B. The main changes over the five years have been an increased proportion of retired households, particularly in the second quintile, an increase in one and two-adult households; and a drop in the proportion of households with children. This changing composition affects the size and pattern of redistribution.

Table 3 in Appendix II shows the distribution of average incomes, taxes and benefits for a number of different household types. For one-adult retired households the bottom two deciles consist entirely of people with no original income. Any ordering of households within these deciles would be quite arbitrary so the two deciles are combined. For two-adult retired households only the bottom decile consists entirely of households with no original income. One reason for this difference is that the one-adult households are on average older and less likely to do part-time work than two-adult households. Another reason is that the two-adult retired category includes some households in which only one adult is retired, for example a retired father and a daughter who may have quite high earnings.

Amongst non-retired households the differences between the original income of households at the bottom of the distribution and those near the top are large. One reason for this difference is that household income varies with the number of workers per household, as shown in Table C. This is particularly marked in the case of 'other' households which range from 0·4 workers per household in the lowest quintile to about 3 workers per household in the highest quintile.

Cash benefits

The first stage in estimating redistribution is the addition of direct transfers, that is cash benefits such as national insurance pensions and unemployment benefit, to original income. Since most cash benefits are akin to insurance benefits, that is they are designed to support people during periods when they are not earning, the effect of these benefits is very markedly redistributive. However, it is important to remember that many of those who are in the lower part of the income distribution may only be there temporarily; for example if they are there because they are out of work this may be for only for a short period. Indeed there is evidence that amongst the population capable of work there is considerable movement within the earnings distribution over time[1], although the shape of the distribution remains unchanged.

The increase in average cash benefits for all households between 1971 and 1976 was 147 per cent, appreciably above the rise in original income of 110 per cent. However, this increase in cash benefits reflects an increase in the number of recipients as well as increases in rates of benefits. For example, the number of pensioners increased by about 13 per cent, so while the rates of pensions increased by about 156 per cent (comparing the average rate of pension for a single person under 80 during 1976 with the average rate during 1971), the average amount received over all households increased by 173 per cent. The average amount of unemployment benefit increased by 243 per cent; again the numbers had increased; indeed although levels of unemployment were high in 1971 they were nearly twice as high in 1976. Another factor contributing to the increase in cash benefits over the period was the introduction of new benefits, notably invalidity pensions towards the end of 1971.

Table 3 shows how the totals of cash benefits are made up for different household types. The high levels of benefits to retired households consist, as would be expected, largely of retirement pensions. The high levels of benefits to non-

Income tax and surtax as a percentage of original income *plus* cash benefits, 1971 and 1976

By household type within quintiles of original income

TABLE D

	Percentages											
	1971						1976					
	Quintiles						Quintiles					
	1	2	3	4	5	Average over all quintiles	1	2	3	4	5	Average over all quintiles
All households	1·0	7·2	11·0	12·6	17·0	12·7	0·7	8·9	14·6	17·4	20·7	16·2
Retired households												
1 adult	1·3	13·5	22·8			7·9	1·2	12·8				5·4
2 adults	1·1	10·0	17·9	22·0	37·1	9·0	0·7	7·5	17·9			7·9
Non-retired households												
1 adult	2·5	12·9	18·3	22·1	25·9	16·2	2·0	15·7	20·6	23·3	32·3	20·1
2 adults	1·8	8·1	13·3	15·2	20·2	15·6	1·1	8·6	16·6	19·5	23·5	19·0
2 adults 1 child	0·9	5·6	10·2	13·2	15·2	11·8	−0·4	5·8	14·5	17·4	19·4	16·0
2 adults 2 children	−0·2	3·7	9·0	10·7	15·3	11·0	−2·8	6·4	12·8	15·9	18·3	15·0
2 adults 3 children	−2·4	2·7	7·7	11·8	15·9	10·7		5·2	11·1	15·1	21·7	15·7
2 adults 4 children		0·6	7·4	8·6	17·1	9·9		−2·1	11·8	15·5	17·6	13·1
Other households	−0·8	3·4	9·1	10·3	15·3	12·7	−0·2	5·3	11·0	15·5	19·3	16·5

retired one and two-adult households with low original incomes are also made up largely of retirement pensions. This is so because the classification of a household as 'retired' depends partly on whether its members, when responding in the Family Expenditure Survey, describe themselves as 'retired' or 'unoccupied' (see Appendix I). Many of those low income non-retired one and two-adult households therefore include people who do some paid work, although they are 60 and over and largely dependent on the retirement pension.

Direct taxes

Original income plus some of the cash benefits (notably pensions) is broadly the basis on which liability for income tax is assessed. Income tax and surtax as a percentage of original income plus cash benefits is shown in Table D. The table shows for each quintile of households ranked on original income the percentage paid on average by each household type within that band. Not surprisingly, better-off households pay a substantially higher proportion of their income in tax. However, the relationship between tax payments and income is influenced by tax reliefs such as those on mortgage interest and life insurance premiums (the tax is shown net of these reliefs). These reliefs tend to increase with income because higher-income households on average pay out proportionately more of their income in mortgage interest and insurance premiums. Another factor in the relationship is that child tax allowances and other personal allowances reduce the tax paid by the larger households in each income range.

The pattern of tax payments in Table D shows a number of changes between 1971 and 1976. Overall, income tax and surtax have risen from 12·7 per cent to 16·2 per cent of original income plus cash benefits. This increase in tax has not fallen evenly on different household types or income ranges.

Tax receipts from retired households have fallen on average, from 7·9 per cent of original income plus cash benefits to 5·4 per cent for one-adult retired households and from 9·0 per cent to 7·9 per cent for two-adult retired households. The reason for this fall is that the increase in retired households has been entirely at the lower end of the distribution. Indeed, the proportion of retired households in the upper half of the distribution has fallen from 3·5 per cent to 2·7 per cent. Amongst non-retired households generally the increases have been greatest for those households with children. This is so because tax allowances for children have not risen in line with incomes, and consequently a number of families have been brought into the tax-paying sector who were not previously liable.

Taking all households the increase for the highest quintile is less on average than that for the quintile immediately below it. In interpreting the figures, it should be remembered that changes in tax payments at the extremes of the income distribution derived from the Family Expenditure Survey are very sensitive to sampling variability in the small number of highly taxed households at one end of the distribution and in those with large tax rebates at the other end. This effect is discernible in the large differences in the percentage of tax paid by different types of non-retired households in the fifth quintile in Table D, an increase of 6·4 per cent for one-adult households but only 0·5 per cent for two adults and four children.

The rest of direct taxation apart from income tax and surtax is made up of employees' (and self-employed) national insurance contributions. Although these increased in absolute terms, with a shift from flat-rate to graduated contributions, they remained fairly constant as a proportion of original income plus cash benefits at 3·5 per cent. The pattern of incidence remained much the same in 1976 as in 1971 because the main determinant of the variation between income ranges, the relative number of workers in the household, was fairly stable. The only exception, which was attributable to the increase in the number of retired households, was the proportion of original income plus cash benefits paid in national insurance by the bottom 30 per cent of households; that fell from 1·3 per cent to 0·3 per cent during the five years.

Indirect taxes and subsidies

The amount of subsidies received and indirect taxes paid depends on how each household spends its money, because

Indirect taxes as a percentage of disposable income of all households, 1976

By deciles of disposable income

TABLE E

	Percentages										
	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
Rates	6·6	5·2	4·2	3·7	3·4	3·1	2·9	2·6	2·5	2·0	3·0
Beer	0·9	1·1	1·3	1·6	1·6	1·6	1·7	1·5	1·4	1·4	1·5
Wines and spirits	1·2	1·5	1·6	1·7	1·5	1·7	1·7	1·8	1·9	2·1	1·8
Tobacco	2·8	3·7	3·6	3·9	3·8	3·5	3·1	2·9	2·4	2·1	2·9
Value added tax	2·6	2·4	2·7	2·8	3·0	3·0	3·0	3·1	3·2	3·0	3·0
Oil	0·8	1·1	1·7	1·8	2·2	2·3	2·3	2·3	2·2	2·0	2·1
Import duty	0·5	0·4	0·5	0·4	0·5	0·4	0·4	0·4	0·4	0·4	0·4
Intermediate taxes	6·1	5·5	5·5	5·4	5·4	5·2	5·1	5·0	5·0	4·6	5·1
Other	1·2	1·5	1·5	1·5	1·6	1·5	1·4	1·3	1·2	1·0	1·3
Total indirect taxes	22·7	22·3	22·6	22·9	22·9	22·4	21·5	21·0	20·2	18·4	21·0

both subsidies and indirect taxes are different for different types of goods and services. If the proportion of household income spent on an item rises with income, indirect taxes on that particular good or service will tend to be progressive, that is to take proportionately more income from better-off households. They will tend to be regressive, that is to take proportionately more income from less well-off households, if the proportion of income spent on the item falls with rising income. The degree of progressivity or regressivity may be affected by taking definitions of income that are more or less equally distributed, and indeed with different definitions the direction may be reversed. The choice of an income base depends on the purpose of the analysis. The results are shown here on the basis of disposable income since that is the income definition in this article closest to that on which the household makes its spending decisions. Finally, the impact of the various indirect taxes and subsidies shown in the tables is only the initial impact, excluding secondary and time-lagged effects. The impact of individual taxes in 1976 is shown in Table E; a detailed comparison with 1971 was not possible because of the extensive changes in tax structure in this period, the most notable of which were the abolition of purchase tax and selective employment tax and the introduction of value added tax.

Indirect taxes as a whole tend to take a lower proportion of income from those households with higher incomes than from those with lower incomes. This is primarily because their expenditure forms a lower proportion of their income and most indirect taxes are roughly proportional to expenditure. There are two factors causing the impact on the lowest groups to be overstated. The first is that, while local authority rates are included net of rate rebates for those households which receive a rebate, no rebate is generally made to ratepayers who are in receipt of supplementary benefit or supplementary pensions. An allowance for rates is included in the assessment for supplementary benefit, but this appears in the article as an increase in cash benefits rather than a reduction in rates paid. The second factor is that certain households consisting of students in full-time higher education are shown as having no income or very little income because for the purpose of this analysis their maintenance grants are treated as education benefit rather than a cash benefit or original income. However, the expenditure financed by such grants is subject to indirect tax and this tax appears in the average for the lowest income group.

Indirect taxes are treated here as the same stage of redistribution as subsidies. An average shopping basket will almost certainly contain goods bearing value added tax together with subsidised foods, and both of these types of goods, on the assumptions made here, will bear a share of intermediate taxes. Similarly, many households are likely to hand over one payment for rent and rates. Rates are an indirect tax while most council rents are reduced by housing subsidies, which, like food subsidies, are an indirect benefit.

Table F shows the combined effect of indirect taxes and subsidies for 1971 and 1976, for different household types. During this period the net effect has been a reduction in the overall impact from 20·9 per cent of disposable income in 1971 to 17·6 per cent in 1976. This drop is largely due to the increase in subsidies, although indirect taxes fell slightly from 22 per cent in 1971 to 21 per cent in 1976. Housing subsidies increased from 1·2 per cent of disposable income in 1971 to 2·7 per cent in 1976, and food subsidies introduced in 1974 had a further impact.

In 1976 indirect taxes and subsidies were such that their combined effect on the lowest income groups was relatively small, at 9 per cent of disposable income, and on the middle ranges fairly constant at about twice the level of the lowest groups. It was slightly less for those at the highest income levels, being 17 per cent for those in the top decile as is shown in Table 4 of Appendix II. This pattern is due mainly to the very progressive effect of housing subsidies, particularly for elderly households, which offsets the regressive effect of indirect taxes in the total. It is due also to the higher savings ratios of those at the higher income

Indirect taxes less subsidies as a percentage of disposable income, 1971 and 1976

By household type within quintiles of disposable income

TABLE F

Percentages

	1971						1976					
	Quintiles					Average over all quintiles	Quintiles					Average over all quintiles
	1	2	3	4	5		1	2	3	4	5	
All households in the sample	20·5	22·8	22·5	21·2	19·5	20·9	9·3	17·1	19·2	18·8	17·9	17·6
Retired households												
1 adult	16·2	22·4	12·6			16·7	5·1	14·1	14·9			7·0
2 adults	22·0	21·9	17·9	22·6	15·5	21·2	7·4	14·9	20·3	20·1	18·2	14·3
Non-retired households												
1 adult	18·1	19·7	20·8	17·4	18·4	19·1	13·6	20·8	18·4	17·4	20·2	18·3
2 adults	33·3	23·1	22·9	21·0	17·9	21·0	30·9	16·9	19·8	19·2	16·5	18·3
2 adults 1 child	32·0	24·5	22·7	20·3	19·2	21·5	32·4	21·9	19·4	18·3	16·4	18·7
2 adults 2 children	41·4	22·8	21·8	20·0	17·9	20·2	30·3	17·6	19·6	19·2	16·1	18·2
2 adults 3 children		27·1	23·7	20·5	15·7	20·8		14·4	19·4	16·9	16·8	17·2
2 adults 4 children		24·6	20·9	21·5	21·7	21·7		14·3	15·6	17·4	19·7	17·4
Other households	19·4	22·0	23·5	22·6	21·0	21·6	11·7	13·1	17·5	18·9	18·9	18·5

levels which restrict the proportional effect of expenditure taxes. These reasons apply also to differences between household types shown in Table F, the elderly receiving proportionately more housing and food subsidies than the non-retired population both because they are more dependent on the State generally and because their expenditure on food forms on average a higher proportion of income than for other households.

Benefits in kind

Apart from cash benefits and subsidies, the other parts of government expenditure we are able to allocate to households are current expenditure on health, education and welfare foods. The ways in which these expenditures are allocated are explained in Appendix I. The allocation of benefits in kind depends far more on the size and composition of each household than on its income.

In interpreting the allocation of education benefits to different income groups it is important to remember two factors. First, people aged 16 and over are counted as adults and the benefits of sixth-form education are therefore in general shown as going to households with three or more adults, who are included in Table 3 under 'others'. This explains why, in Table 3 of Appendix II, households with two adults and 1 to 4 children received on average £480 per annum in education benefit in 1976 compared with £586 per annum received by 'other' households. Secondly, for households with children, there is a tendency for better-off parents to be older and consequently to have older children[1]; that is, to have fewer children under school age and more children in secondary school than less well-off households with the same number of children. For that reason they will tend to benefit more from the education service. (Education benefit is higher for secondary school than for primary school children). This factor probably explains most of the general rise in education benefits with income which is shown in Table 3.

The method of allocating health service benefits is entirely dependent on the age and sex of the people in each household (except in the case of benefit on the maternity services which is allocated to households reporting in the Family Expenditure Survey that they have received national insurance maternity benefits). The variation in health service benefits shown in Table 3 is therefore dependent on the average age and sex structure of each household type. The highest benefits are allocated to households with retired people or very young children who make greater demands on the health service than people of working age.

Benefits and taxes – the total impact

Charts 2, 3 and 4 summarise the overall effect on incomes of allocated taxes and benefits for three household types. The types are two-adult retired households, households with two adults and 1 to 4 children and those with two adults who are non-retired. There is no chart for one-adult households because it would be broadly similar to that for two adults. Also there is none for the 'others' category which is not very homogeneous, including both families with and those without children. The charts distinguish original income, disposable income, final income (income after all allocated taxes and benefits), total taxes and total benefits for 1971 and 1976.

CHART 2

The impact of taxes and benefits on 2 adult retired households.

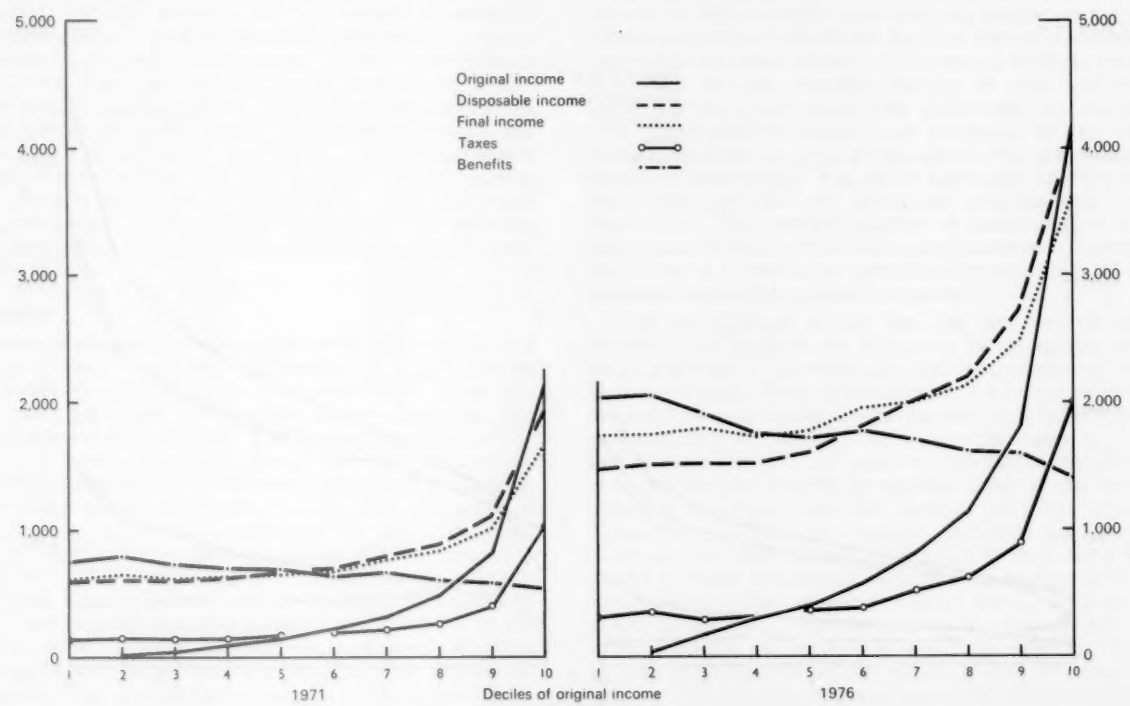


Chart 2 – Two adult retired households

The chart shows the position of these households in 1971 and 1976. Cash benefits form the bulk of their disposable income. State pensions make up about half of all benefits (cash benefits, benefits in kind and subsidies) for those at the lower end of the income distribution and two thirds for those at the top end. It can be seen from the charts that all benefits fall steadily with income from just above £2,000 per annum to just under £1,500 per annum. This pattern is due partly to the reduction in means tested benefits, particularly supplementary benefit, as income rises, and partly to the decline in the proportion of local authority tenants and thus housing subsidy, as we consider groups of households with higher incomes.

On average, state pensions account for about half of disposable income, although those with original income greater than these pensions form only about the top 30 per cent of households in the group. Indirect taxes are the main types of taxes paid to the government by retired households. In 1971 these exceeded original income for households in the lower half of the income distribution, but by 1976 this was so for only the lowest 40 per cent of households. This change was due to an above average increase in original income for the fourth and fifth deciles rather than to a reduction in taxes.

In 1971 disposable income and final income were roughly equal except for the higher income groups, where there was a marked tapering of subsidies, but in 1976 final income was higher for the lower 70 per cent. This change was due to the very fast growth in housing subsidies and to the introduction of food subsidies, which outweighed the increase in indirect taxes. For the bottom 30 per cent of households housing subsidies were equivalent to nearly two thirds of their payments of indirect taxes in 1976 whereas in 1971 they were less than a quarter.

Chart 3 – Two adult households with one to four children

The chart shows that taxes exceed benefits for all but about the lowest 25 per cent of these households; indeed direct taxes exceed cash benefits for all but the bottom 15 per cent of households. The bulk of benefits consist of education and health services and they are fairly constant over all income bands. Disposable and final income are very similar except for the lowest income deciles. To the extent that this means that indirect taxes and non-cash benefits are approximately equal, the difference between the lines for all taxes and all benefits shows the excess of direct taxes over cash benefits for deciles above the second. For the lowest deciles the deviation from this pattern, with final income appreciably greater than disposable, is due partly to the higher levels of housing subsidy at this end of the distribution (as with retired households) and partly to the higher rates of education benefit due to higher than average numbers of children and the existence of some student households in this group.

Chart 4 – Two adult non-retired households

The chart shows that, except at the extremes, the original income profile of this group is similar to that of two adults and one to four children. The lowest decile is a rather

CHART 3 **The impact of taxes and benefits on households with 2 adults and 1-4 children.**

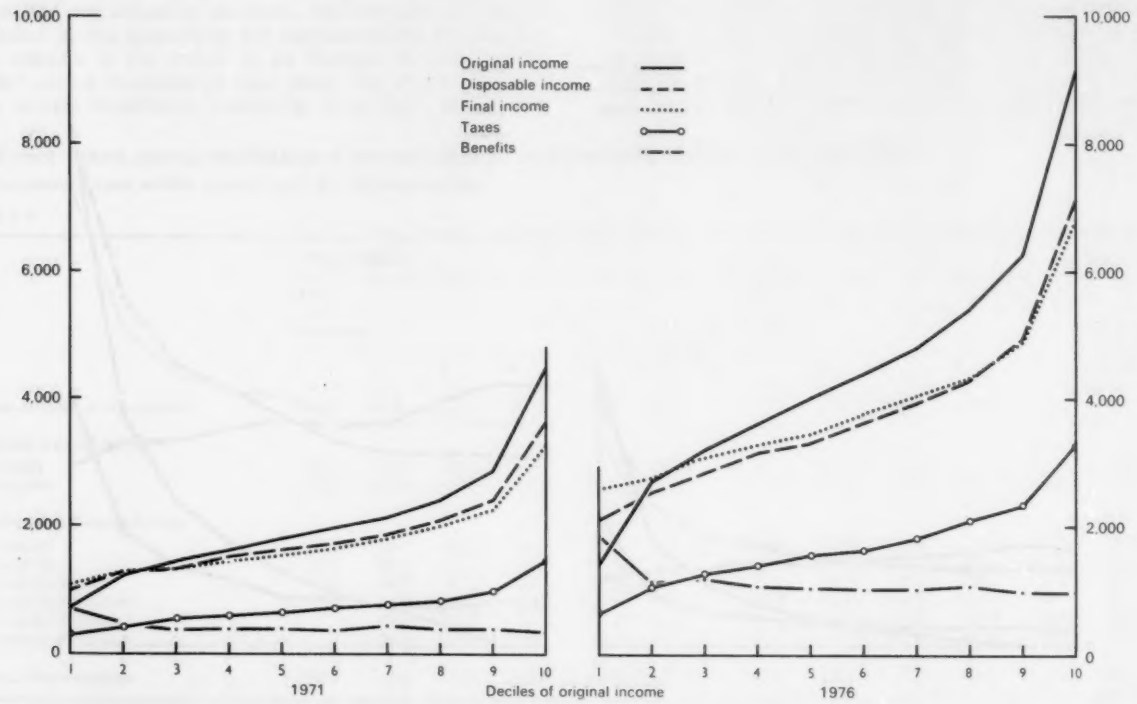
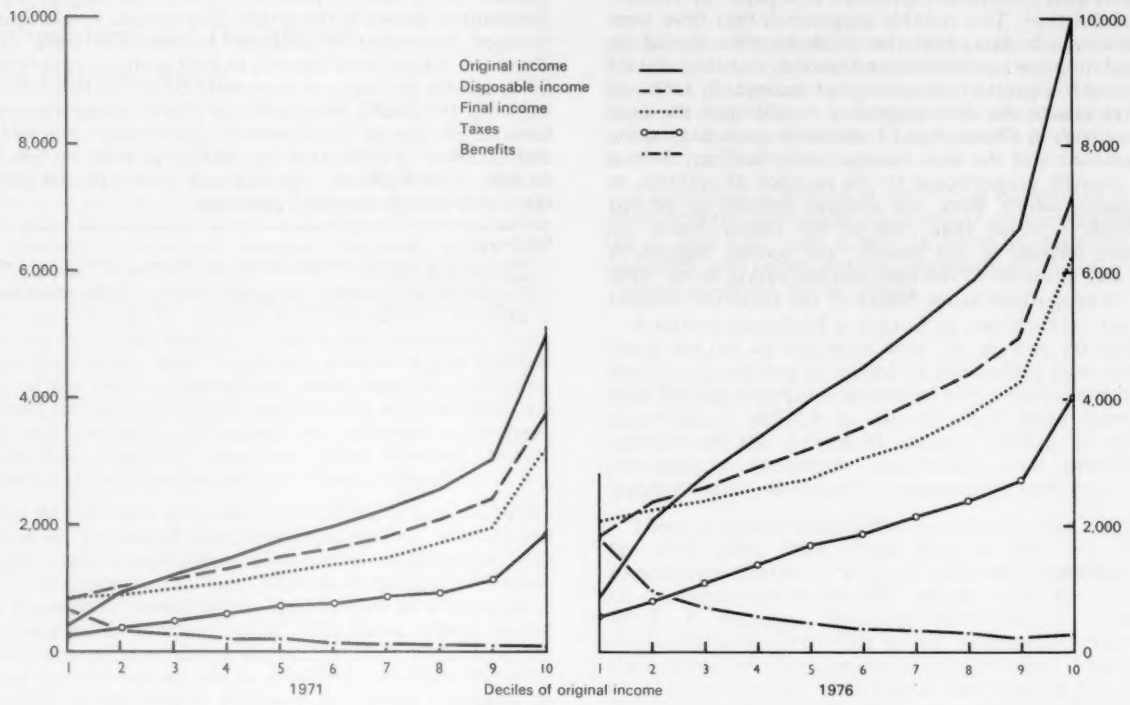


CHART 4 **The impact of taxes and benefits on 2 adult non-retired households.**



heterogeneous group with a low number of workers per household, includes numbers of semi-retired households and households with invalids, has more unemployed persons than other deciles, and includes some student households as noted above. This leads to high benefit levels in the lowest deciles quickly tapering off to a state where the majority of benefit is from the health service. Disposable income for the deciles above the median is very close to that for two adults and one to four children, the slightly higher original income being offset by higher taxes. Final income is, on the other hand, consistently lower than disposable income with indirect taxes being markedly higher than indirect benefits and benefits in kind.

Conclusion

The sums of allocated benefits, which are in effect the part of the 'social wage' which can be allocated in this exercise to households of particular types (and which form about two thirds of it), are largest *per capita* for retired households and for households with children. The amounts are highest for those with lowest original incomes, but the variation by household composition is also very substantial because so many of the benefits included go to virtually all people in particular age groups, like pensioners or school children, whatever the income of their household. The totals paid in taxes, on the other hand, are much higher for those households with higher incomes and the variation by household type is less marked than the variation by income. The net result in money terms is to redistribute income both from households with larger incomes to those with smaller incomes and from the smaller households to the larger ones.

The pattern of redistribution is complex but it is clear that income is redistributed from working people with higher incomes and few children both to those who are working but have lower incomes and more children and to those who are dependent on cash benefits. Benefits in kind tend to be higher for the larger households within each income range and hence tend to redistribute resources to the larger households (and to some extent also to the elderly households) in each range. The other taxes and benefits make lesser although still very significant contributions to the final effect. This complex pattern of redistribution is due largely to different policies with varied purposes; it does not stem from a single policy explicitly designed to produce a particular intended redistributional effect.

It is very difficult to say how the final overall effects shown in this analysis are influenced by the quality of the basic data and by assumptions and approximations which have been made. With better information on use of services the attribution of health services benefits could be improved, and spending on personal social services, libraries, parks and refuse collection, etc. could be included in the analysis. It might also be possible to allocate some of the relevant spending on police and fire services to those types of households making the greatest demands on property protection services. But the total effect of these extra items would be small relative to the total already allocated, and although there may be some tendency for the services they cover to be used more intensively by households with higher incomes, any such effect would probably not be large enough to change the overall picture greatly. The effects of several alternative sets of assumptions about the incidence of

all unallocated benefits are discussed in a paper by Nicholson and Britton[2]. Two notable suggestions that have been put forward are first, that the other benefits should be allocated on a *per capita* basis, and second, that they should be allocated in proportion to original income. In terms of the three charts, the first suggestion would shift the final income curves in Charts 2 and 4 vertically upwards by some fixed amount and the final income curve in Chart 3 by a larger amount proportional to the number of children in each decile, which since the average income of retired households is lower than that of the others would redistribute income to the elderly; the second suggestion would add amounts to the final income curves in all three charts in proportion to the height of the curve for original income which would primarily lower the degree of redistribution shown in the article. The picture would also be changed somewhat if different assumptions were made about the valuation of benefits in kind going to each household, and the incidence of taxes were estimated in a different way. But the results presented here aim at giving a comprehensible picture of the impact of government expenditure and taxation of individual households in different circumstances – and there are practical and presentational advantages in a straight forward approach.

References

[1] 'How individual people's earnings change.' *Department of Employment Gazette*, January 1977 (HMSO).

[2] 'The redistribution of income'; J. L. Nicholson and A. J. C. Britton published in *The personal distribution of incomes 1976* (George Allen & Unwin).

APPENDIX I

Methodology and Definitions

Family Expenditure Survey

The estimates in this article are based mainly on the data derived from the Family Expenditure Survey (FES). The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each respondent keeps a full record of all payments made during 14 consecutive days and answers questions about hire purchase and other payments. Households are also asked in detail about their income from all sources, but there is no systematic linkage of income and expenditure to yield a balanced household budget for any particular period. Every household member aged 16 and over is asked to give detailed information where appropriate about income, including national insurance and other cash benefits received from the State and payments of income tax. Information on age, occupation, kinds of education being received, family composition and housing tenure is also obtained.

One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The latest report is the *Family Expenditure Survey Report for 1976*. Details of the survey method are set out in *Family Expenditure Survey – Handbook on the sample, fieldwork and coding procedure* by W. F. F. Kemsley. Both are published by Her Majesty's Stationery Office.

The number of households co-operating in the FES in 1976 was 7,203, the same number as in 1975.

Unit of analysis

The basic unit of analysis in the article is the household. One of the major reasons for this choice is that it is more appropriate than the family or the individual for determining the redistributive effect of indirect taxes and subsidies. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information therefore it would not be possible to apportion indirect taxes or the effects of housing and food subsidies to individuals or other sub-divisions of households, except in a highly arbitrary way.

However, very little is known about the extent to which income is pooled within households or other groupings. Since the analysis is based on the whole household, no assumptions about such pooling have been made. Consequently, it would not be correct to use the analysis to discuss the living standards of the individual members of a household. For example, the standard of living of an old person living in the household may be different from that of the household as a whole. This is also one reason why, for example, unemployment benefit and old age pensions are received by households whose overall position in the income distribution would seem to make them ineligible.

Over time, changes in the pattern of household size and composition affect the shape of the distribution and redistribution of income. For example, increases in the number of older people in the population and a reduction in birth rates have led to a reduction in average household size. This change coupled with earlier retirement has been a factor in the increase in pensions, in other benefits which accrue to retired members of households, and in expenditure on the health service.

A household is defined in the FES as comprising persons who live at the same address and who share common catering for at least one meal a day. In order to maintain comparability with earlier years all persons aged 16 and over are counted as adults in this article.

A retired household is defined as one in which the combined income of members who are at least 60 and who describe themselves as retired or unoccupied amounts to at least half the total gross income of a household. A pensioner household is defined as one in which more than three quarters of the household income consists of national insurance or retirement and similar state pensions, or supplementary allowances supplementing such pensions.

There is some evidence that households who respond to the FES differ from those who do not (see 'Family Expenditure Survey: a study of differential response based on a comparison of the 1971 sample with the census' by W. F. F. Kemsley, *Statistical News* No. 31, November 1975 (HMSO)). The effect of this differential response on the accuracy of the estimates of redistribution is the subject of a recent article 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R. Harris in *Statistical News* No. 39, November 1977 (HMSO).

The available evidence suggests that older households, households where the head is self-employed and those without children are less likely to co-operate than others. There are regional variations in response; for example in the Greater London area it is noticeably lower than in other areas. There are also indications that higher income households are less likely to respond. It is not practicable at present to correct for any consequential non-response bias; the results in the article are based on the responses of those households which actually co-operated in the survey.

Income: redistributive stages

Stage one

Original income *plus* benefits in cash *minus* direct taxes = Disposable income.

Stage two

Disposable income *plus* subsidies *minus* indirect taxes = Income after all taxes and transfers.

Stage three

Income after all taxes and transfers *plus* benefits in kind = Income after all taxes and benefits (final income).

The starting point of the analysis is *original income*. This is income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. The original income of the household is

the total combined income of the members of the household from employment, self-employment and investment, including occupational pensions. It is based on a concept of normal income around which the FES income questions are structured. Normal income is a function of the income received in the pay period preceding the interview (usually a week or a month), adjusted, in those cases where the last payment was abnormal, to take account of the amount usually received. Allowance is also made for periods of absence from work through sickness and unemployment, and for occasional payments. In the case of investment and self-employment income the normal income figure is taken as the amount received in the last twelve months for which details are available from the respondent.

Some income in kind is included, though the coverage of fringe benefits is not comprehensive. Households living in owner-occupied or rent-free dwellings are assigned an imputed income based upon the rateable value of the dwelling. The various components of income are converted to estimated normal annual rates.

The next stage of the analysis is to show the distribution of cash benefits and to add these to original income to obtain *original income plus cash benefits.*

Cash benefits are:

Family allowances
Retirement and old-age pension, widow's pension, disablement and war disability pension, invalidity pension and allowance, mobility allowance
Unemployment benefit, sickness and industrial injury benefits
Family income supplement, supplementary benefit
Maternity benefit
Death grant, redundancy payment
Other cash benefits

Supplementary benefit includes all supplementary allowances where they are separately distinguished by respondents. The amount of benefit is taken as the amount received by the household in the 12 months prior to interview. Redundancy benefit is the sole exception to this: the amount of benefit received is divided by the number of years it is intended to cover.

Direct taxes are then deducted to give *disposable income.* Direct taxes are:

Income tax
Surtax
Employees' and self-employed contributions to national insurance and national health services.

The estimates are based on the amount deducted from the last payment in the case of employment incomes and on the amount paid in the last 12 months for which figures are available in the case of self-employment and investment incomes.

As original income includes some elements of income in kind, particularly imputed rent of owner occupiers, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household and which influence spending decisions. One of the basic problems of allocating government revenues and expenditures to households is in identifying the ultimate payer or recipient. In some cases, for example corporation tax, this is impracticable or highly controversial and so we prefer not to allocate the items concerned. Even for those we do allocate the criteria used are sometimes questionable. Thus, the lack of data forces us to assume that the incidence of net direct taxes falls on the individual from whose income the tax is deducted. The analysis implies that the benefit of tax relief, for example mortgage tax relief, accrues directly to the tax payer rather than to some other agent, for example, the land owner. It also implies that no section of the working population has been able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. The major taxes not allocated are corporation tax and taxes on capital.

The order in which the remaining allocated items is presented is to some extent arbitrary. First, we add subsidies less indirect taxes to disposable income, to obtain *income after all taxes and transfers.* This corresponds closely to 'available income' in the United Nations recommendations for systems of national accounts, and to the 'factor cost' concept of consumers' expenditure shown in the National Income Blue Books; the factor cost is calculated by subtracting indirect taxes from consumers' expenditure at market prices and adding consumer subsidies. The subsidies are:

Housing subsidies
Food subsidies

The total housing subsidy for local authority tenants is defined as the difference between current account expenditure by public authorities on housing (the sum of the 'economic rents') and the rent paid by tenants of local authority dwellings. For each local authority dwelling in the sample the subsidy is derived as the excess of the estimated economic rent over the actual rent paid by the tenant. The subsidy therefore includes any rent rebates which the tenant may be allowed. The economic rent for each dwelling is calculated by multiplying the rateable value of that dwelling by the ratio of the total current account expenditure on all dwellings owned by the local authority to the total rateable value of those dwellings. In the case of non-local authority tenants the value of any rent allowances received is counted as a housing subsidy, and is not included in original income.

Food subsidies for each household are estimated by calculating the ratio of the total cost of the subsidies to consumers' expenditure on the subsidised product field. The subsidy factors derived in this way are applied to actual expenditure by the household on the product field covered. It is not possible to distinguish expenditure on subsidised and unsubsidised categories within each product field. Consumer subsidies on milk, butter, cheese, household flour, bread and tea are calculated in this way.

In line with practice in earlier years, agricultural subsidies are regarded as forming part of the original income of farmers and not as benefits to the consumer. The subsidies do not include payments by the European Economic Community because reliable estimates of them are not available for 1976.

A more detailed account of the treatment of subsidies is given in an article, 'The redistributive effect of subsidies on households', in *Economic Trends* No. 289, November 1977 (HMSO).

Indirect taxes on final consumer goods and services are:

Local authority rates on dwellings (after rebates).
Duties on beer, wines, spirits, tobacco, oil, betting, etc.
Value added tax (VAT)
Car tax
Motor vehicle duties
Driving licences
Television licences
Stamp duties

These taxes are either levied directly on the consumer (for example local rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on those goods and services subject to VAT. Where goods are subject to both excise duties and VAT, the VAT is consolidated with the excise duty. Thus 'duty on wines' includes both excise duty and VAT.

VAT and car tax affect the prices of second hand cars and are therefore assumed to be incident on the purchaser of such cars. Expenditure recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery is weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure. It should be noted that local authority rates are paid in full by recipients of supplementary benefit as the supplementary benefit payments they receive include an allowance for this item.

Indirect taxes on intermediate goods and services are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Import duties
Stamp duties
Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme.

These taxes are those that fall on goods and services purchased by industry and used in the production of goods and services for final consumption by consumers. That part which falls on goods and services bought by consumers is assumed to be fully shifted to the consumer. Their allocation between different categories of consumers' expenditure is based on the relation between intermediate production and final demand, estimated using input-output techniques.

Finally we add the effect of those state benefits in kind for which there is a reasonable basis for allocation to households, to obtain *income after all taxes and benefits.* Benefits in kind are:

National Health Service
State education
School health service
Scholarships and education grants from public funds
School meals, milk and other welfare foods

The measure of the benefit of the National Health Service to households in this article is the cost of providing the service. That cost is estimated by the Department of Health and Social Security according to the use made of the service by individuals of different ages and sex. It is then applied to the households in the FES in the corresponding age-sex groups. The benefit of the maternity services is assigned separately to those households in receipt of maternity benefit.

Education benefit is estimated by the Department of Education and Science as the cost per pupil or student of providing the various educational services, such as special schools, primary, secondary and direct grant schools, universities and teachers training colleges. The value of the benefit attributed to households depends on the number of persons in the household recorded in the FES as receiving each kind of education. Actual scholarship payments by the state are added to this figure and the fees and contributions made by parents subtracted to arrive at a final net benefit for each household.

The value of school meals and other welfare foods is based on their cost to public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

Previous articles

This article is the latest in an annual series. Earlier articles covering the years 1957 to 1975 were published in the following issues of *Economic Trends:* November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976. The December 1974 article contains a comprehensive account of the methods employed and the changes in treatment over the years. As far as is practicable with the resources available the Central Statistical Office will provide on request analyses for 1976 on a comparable basis to earlier years.

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General government expenditure[1] in 1971 and 1976

TABLE 1

	1971		1976	
	£ million	Percentage of total expenditure	£ million	Percentage of total expenditure
Allocated expenditure				
Allocated cash benefits and subsidies[2]				
Benefits in cash	4,150	*17·9*	10,770	*18·4*
Subsidies				
Housing (including rent rebates and allowances)	330	*1·4*	1,700	*2·9*
Food	—	—	450	*0·8*
Allocated benefits in kind				
Health services	2,050	*8·8*	5,730	*9·8*
Education	2,430	*10·5*	6,590	*11·3*
School meals, milk, welfare foods	160	*0·7*	450	*0·8*
	9,120	*39·3*	25,700	*43·9*
Unallocated expenditure				
Other current expenditure on social, environmental and protective services				
Social services				
Social security benefits				
Administration	210	*0·9*	650	*1·1*
Personal social services	270	*1·2*	1,030	*1·8*
Other	10	—	20	—
Environmental services				
Housing	30	*0·1*	170	*0·3*
Water, sewerage, land drainage, and public health	260	*1·1*	490	*0·8*
Parks, etc.	90	*0·4*	310	*0·5*
Miscellaneous local authority services	140	*0·6*	460	*0·8*
Libraries, museums, and arts	100	*0·4*	290	*0·5*
Protective services				
Police	410	*1·8*	1,060	*1·8*
Parliaments, courts and prisons	160	*0·7*	510	*0·9*
Fire serivces	80	*0·4*	250	*0·4*
	1,760	*7·6*	5,240	*8·9*
Capital expenditure on social, environmental and protective services				
Social services	690	*3·0*	1,270	*2·2*
Environmental services				
Housing	950	*4·1*	3,320	*5·7*
Other	510	*2·2*	840	*1·4*
Protective services	50	*0·2*	150	*0·3*
	2,210	*9·5*	5,580	*9·5*
Other current expenditure				
Defence and external relations	2,990	*12·9*	7,020	*12·0*
Roads, transport and communications	450	*1·9*	1,630	*2·8*
Industry, trade, agriculture, research and employment	1,060	*4·6*	2,110	*3·6*
Other	450	*1·9*	1,130	*1·9*
	4,950	*21·3*	11,890	*20·3*
Other capital expenditure	2,770	*11·9*	3,840	*6·6*
Debt interest	2,090	*9·0*	5,450	*9·3*
Non-trading capital consumption	310	*1·3*	820	*1·4*
Total expenditure	23,200	*100·0*	58,510	*100·0*

[1] This table and Table 2 relate to the combined expenditure of central government and local authorities, excluding transactions between the two sectors. In previous articles, the tables related to consolidated public sector expenditure, a presentation no longer used in the national accounts. Whereas the present figures include general government payments to and receipts from public corporations, the former tables included the income and expenditure of public corporations other than their receipts from and payments to general government.

[2] Including benefits to people not living in private households.

Source: *National Income and Expenditure 1966-76*, Table 9.4

Financing of general government[1] expenditure in 1971 and 1976

TABLE 2

	1971		1976	
	£ million	Percentage of total financing	£ million	Percentage of total financing
Allocated financing				
Allocated taxes[2]				
Direct taxes				
Income and surtax	6,380	*27·5*	16,670	*28·5*
Employees' and self-employed NI contributions	1,380	*5·9*	3,340	*5·7*
Indirect taxes				
On final goods and services	5,590	*24·1*	11,260	*19·2*
On intermediate goods and services	1,750	*7·6*	3,770	*6·4*
	15,090	*65·0*	35,040	*59·9*
Unallocated financing				
Unallocated taxes				
Corporation tax, etc.	1,510	*6·5*	2,060	*3·5*
Taxes on expenditure not allocated to consumers' expenditure	2,050	*8·8*	3,790	*6·5*
Employers' NI contributions not allocated to consumers' expenditure	860	*3·7*	2,920	*5·0*
Taxes on capital	660	*2·9*	880	*1·5*
	5,080	*21·9*	9,660	*16·5*
Other receipts[3]	1,720	*7·4*	5,890	*10·1*
Government borrowing requirement	1,310	*5·6*	7,920	*13·5*
Total financing	23,200	*100·0*	58,510	*100·0*

[1] See footnote [1] of Table 1.
[2] Including taxes paid by people not living in private households.
[3] Receipts of rent, interest, dividends, trading income and miscellaneous transactions (net).

Source: *National Income and Expenditure 1966-76*, Table 9.1

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*166*	*731*	*1,864*	*2,822*	*3,530*	*4,229*	*4,962*	*5,902*	*7,426*		
(i) **All households**											
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Original income	33	409	1,277	2,376	3,180	3,877	4,585	5,420	6,583	10,066	3,781
Direct benefits in cash											
Family allowance	12	7	15	30	39	42	46	36	32	34	29
Pensions	750	856	714	294	169	113	93	76	80	72	322
Unemployment/sickness/injury benefit	24	36	84	73	58	42	42	34	29	31	45
Other direct benefits	361	115	66	56	41	30	17	18	16	25	74
Original income and cash benefits	1,180	1,422	2,156	2,830	3,486	4,105	4,783	5,584	6,740	10,228	4,251
Direct taxes	1	17	144	403	618	803	978	1,264	1,567	2,576	837
Disposable income	1,179	1,405	2,011	2,427	2,869	3,302	3,806	4,320	5,173	7,652	3,414
Subsidies	197	138	117	110	125	105	95	86	78	84	114
Indirect taxes	240	294	435	541	672	748	831	922	1,032	1,441	716
Income after all taxes and transfers	1,137	1,249	1,693	1,996	2,321	2,659	3,070	3,484	4,219	6,295	2,812
Direct benefits in kind											
Education	116	141	189	200	291	340	366	335	335	385	270
National Health Service	228	257	250	259	262	257	259	249	248	287	255
Welfare foods	12	8	11	16	17	19	22	20	18	19	16
Income after all taxes and benefits	1,493	1,654	2,142	2,470	2,891	3,276	3,716	4,087	4,820	6,985	3,354
1971											
Decile points	*99*	*482*	*1,029*	*1,367*	*1,685*	*1,967*	*2,274*	*2,698*	*3,410*		
(i) **All households**											
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Original income	23	258	777	1,195	1,531	1,827	2,115	2,472	3,015	4,813	1,802
Direct beneifts in cash											
Family allowance	6	6	14	26	27	27	31	26	20	23	21
Pensions	303	333	177	81	53	46	41	38	35	34	114
Unemployment/sickness/injury benefit	27	34	40	38	23	20	16	14	18	11	24
Other direct benefits	146	48	36	24	12	11	10	10	6	7	31
Original income and cash benefits	505	680	1,044	1,364	1,645	1,931	2,211	2,560	3,093	4,887	1,992
Direct taxes	—	13	89	167	239	307	370	421	565	1,035	321
Disposable income	504	666	955	1,197	1,406	1,623	1,841	2,138	2,528	3,852	1,671
Subsidies	29	18	20	25	18	21	18	19	16	11	20
Indirect taxes	115	160	231	295	348	381	415	462	552	736	370
Income after all taxes and transfers	417	525	744	928	1,076	1,263	1,444	1,695	1,992	3,127	1,321
Direct benefits in kind											
Education	44	67	87	107	116	137	149	165	149	168	119
National Health Service	91	99	94	96	100	97	100	99	97	106	98
Welfare foods	4	4	6	9	6	6	7	6	5	4	6
Income after all taxes and benefits	557	695	932	1,139	1,299	1,502	1,701	1,965	2,243	3,405	1,544

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*0*		*0*	*15*	*98*	*184*	*298*	*449*	*692*	*1,188*	
(ii) **1 adult retired**											
Number of households in the sample	85	85	86	85	85	85	85	86	85	85	852
Original income	0		4	56	138	245	363	572	941	1,966	428
Direct benefits in cash											
Retirement and old age pension	642		685	687	689	698	681	686	654	646	671
Other pensions	31		14	31	9	3	42	23	46	37	27
Supplementary benefit	288		262	190	107	57	39	19	—	—	125
Other direct benefits	21		21	1	13	13	3	32	8	1	14
Original income and cash benefits	981		987	966	963	1,015	1,129	1,333	1,650	2,651	1,265
Direct taxes	2		—	1	5	4	16	69	131	449	68
Disposable income	979		987	965	958	1,011	1,113	1,264	1,519	2,201	1,197
Subsidies	172		164	231	115	124	99	96	42	30	124
Indirect taxes	170		172	198	166	170	205	217	291	325	208
Income after all taxes and transfers	981		979	998	907	966	1,006	1,143	1,269	1,906	1,113
Direct benefits in kind											
National Health Service	183		183	185	186	185	188	180	177	188	184
Income after all taxes and benefits	1,164		1,162	1,183	1,093	1,150	1,194	1,322	1,446	2,094	1,297
1971											
Decile points	*0*		*0*	*7*	*40*	*79*	*124*	*190*	*296*	*687*	
(ii) **1 adult retired**											
Number of households in the sample	72	72	73	72	72	72	72	73	72	72	722
Original income	0		1	23	60	100	152	236	455	1,536	256
Direct benefits in cash											
Retirement and old age pension	240		257	266	268	263	250	266	243	231	252
Other pensions	21		24	14	19	16	20	14	21	6	18
Supplementary benefit	156		114	97	62	63	40	16	3	—	70
Other direct benefits	4		7	2	4	5	—	1	6	5	4
Original income and cash benefits	420		404	402	412	447	462	532	727	1,778	600
Direct taxes	—		—	—	1	2	3	17	58	397	48
Disposable income	420		404	402	412	445	459	515	670	1,381	552
Subsidies	25		33	30	16	16	18	15	3	—	18
Indirect taxes	83		85	80	82	95	98	119	138	239	110
Income after all taxes and transfers	363		352	352	346	365	379	411	535	1,142	460
Direct benefits in kind											
National Health Service	70		66	70	69	67	68	69	69	67	69
Income after all taxes and benefits	433		418	422	415	433	447	480	604	1,209	529

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*0*	*108*	*245*	*345*	*483*	*698*	*948*	*1,434*	*2,375*		
(iii) **2 adults retired**											
Number of households in the sample	68	67	68	68	68	67	68	68	67	68	677
Original income	0	32	182	303	406	583	819	1,148	1,810	4,205	949
Direct benefits in cash											
Retirement and old age pension	1,072	1,165	1,176	1,114	1,098	1,124	1,104	990	1,009	1,024	1,088
Other pensions	172	99	74	72	83	123	147	166	156	22	111
Supplementary benefit	215	188	76	21	29	3	6	5	16	—	56
Other direct benefits	9	17	1	17	5	—	12	24	44	14	14
Original income and cash benefits	1,468	1,502	1,508	1,526	1,622	1,833	2,088	2,334	3,035	5,265	2,218
Direct taxes	—	1	2	9	15	36	72	136	305	1,108	176
Disposable income	1,468	1,501	1,507	1,518	1,607	1,797	2,016	2,197	2,729	4,085	2,043
Subsidies	233	244	222	166	152	161	85	71	43	23	140
Indirect taxes	311	349	293	305	340	353	456	483	599	824	431
Income after all taxes and transfers	1,390	1,395	1,436	1,378	1,419	1,605	1,644	1,786	2,173	3,284	1,751
Direct benefits in kind											
National Health Service	341	353	362	355	355	356	358	346	331	325	348
Income after all taxes and benefits	1,731	1,748	1,798	1,733	1,774	1,961	2,002	2,132	2,504	3,609	2,099
1971											
Decile points	*0*	*6*	*63*	*118*	*181*	*271*	*394*	*630*	*1,075*		
(iii) **2 adults retired**											
Number of households in the sample	57	56	57	56	57	57	56	57	56	57	566
Original income	0	1	34	92	149	225	329	493	826	2,178	434
Direct benefits in cash											
Retirement and old age pension	375	463	459	463	447	467	448	428	414	357	432
Other pensions	21	14	24	16	31	5	25	4	7	14	16
Supplementary benefit	156	114	70	57	28	13	5	11	—	—	45
Other direct benefits	44	33	25	11	31	7	32	23	17	35	26
Original income and cash benefits	596	624	613	640	686	717	839	958	1,264	2,584	953
Direct taxes	1	1	2	2	3	16	14	48	137	648	88
Disposable income	595	623	611	639	683	700	825	911	1,127	1,936	865
Subsidies	22	53	26	15	9	15	23	4	21	1	19
Indirect taxes	138	151	155	153	170	176	211	213	270	387	202
Income after all taxes and transfers	479	525	482	501	522	540	637	702	878	1,550	682
Direct benefits in kind											
National Health Service	133	135	137	138	140	137	135	134	132	123	134
Income after all taxes and benefits	612	659	619	639	662	678	772	836	1,010	1,672	816

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points		*384*	*941*	*1,510*	*1,975*	*2,366*	*2,786*	*3,141*	*3,828*	*4,748*	
(iv) **1 adult non-retired**											
Number of households in the sample	62	61	62	61	62	62	61	62	61	62	616
Original income	131	665	1,244	1,777	2,171	2,595	2,966	3,449	4,208	6,873	2,609
Direct benefits in cash											
Family allowance	—	—	—	—	—	—	—	—	1	—	—
Pensions	364	508	414	221	148	30	71	29	18	54	186
Unemployment/sickness/injury benefit	45	35	26	20	39	48	17	22	5	7	26
Other direct benefits	281	41	87	3	4	3	14	1	—	—	44
Original income and cash benefits	820	1,249	1,771	2,022	2,361	2,676	3,069	3,501	4,233	6,934	2,865
Direct taxes	5	67	202	353	534	641	787	814	1,127	2,241	678
Disposable income	815	1,182	1,568	1,669	1,827	2,036	2,282	2,687	3,106	4,694	2,187
Subsidies	188	156	114	82	77	57	92	34	80	24	90
Indirect taxes	219	292	311	331	423	503	520	743	634	936	492
Income after all taxes and transfers	785	1,046	1,371	1,420	1,481	1,589	1,854	1,978	2,551	3,782	1,786
Direct benefits in kind											
Education	543	134	—	61	—	50	42	—	—	−4	83
National Health Service	94	119	123	94	90	91	89	80	75	80	94
Welfare foods	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	1,422	1,299	1,494	1,575	1,571	1,730	1,985	2,059	2,626	3,858	1,963
1971											
Decile points		*180*	*367*	*615*	*774*	*977*	*1,143*	*1,331*	*1,635*	*2,137*	
(iv) **1 adult non-retired**											
Number of households in the sample	53	52	53	52	53	53	52	53	52	53	526
Original income	67	279	480	706	879	1,058	1,229	1,469	1,894	2,947	1,101
Direct benefits in cash											
Family allowance	—	—	—	—	—	2	—	—	—	1	—
Pensions	148	214	135	94	58	42	43	6	26	26	79
Unemployment/sickness/injury benefit	73	19	23	18	10	13	5	7	10	6	19
Other direct benefits	109	30	7	1	8	6	2	1	—	2	17
Original income and cash benefits	398	542	645	818	955	1,122	1,279	1,483	1,931	2,982	1,216
Direct taxes	−3	17	46	110	178	194	257	326	472	796	239
Disposable income	401	525	600	708	778	928	1,022	1,156	1,459	2,186	977
Subsidies	39	43	24	22	12	8	33	6	17	18	22
Indirect taxes	112	122	120	151	178	209	219	260	302	420	209
Income after all taxes and transfers	328	446	504	580	612	727	836	903	1,174	1,783	790
Direct benefits in kind											
Education	109	54	—	23	—	19	30	—	—	—	23
National Health Service	43	51	46	39	36	35	35	34	34	36	39
Welfare food	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	480	551	550	643	648	781	902	936	1,208	1,820	852

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

	£ per year										
	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*1,530*	*2,480*	*3,106*	*3,705*	*4,232*	*4,805*	*5,465*	*6,139*	*7,375*		
(v) **2 adults non-retired**											
Number of households in the sample	164	164	164	164	165	164	164	164	164	164	1,641
Original income	839	2,083	2,787	3,390	3,976	4,492	5,127	5,785	6,707	9,929	4,511
Direct benefits in cash	—	—	—	—	—	—	—	—	—	—	—
Family allowance	841	430	254	182	124	83	58	26	49	77	212
Pensions	97	100	58	39	42	38	20	18	15	10	44
Unemployment/sickness/injury benefit	113	40	59	14	6	7	2	8	2	2	25
Other direct benefits											
Original income and cash benefits	1,890	2,654	3,155	3,625	4,147	4,620	5,208	5,838	6,772	10,019	4,792
Direct taxes	58	299	542	694	955	1,062	1,249	1,475	1,756	2,855	1,094
Disposable income	1,832	2,355	2,613	2,931	3,193	3,558	3,959	4,363	5,016	7,164	3,698
Subsidies	164	118	102	90	95	89	70	81	45	27	88
Indirect taxes	474	507	565	677	735	789	886	886	922	1,200	764
Income after all taxes and transfers	1,522	1,965	2,150	2,344	2,553	2,858	3,143	3,558	4,140	5,991	3,022
Direct benefits in kind	340	36	13	56	29	—	30	18	—	8	53
Education	252	234	234	201	196	181	175	165	167	183	199
National Health Service	1	—	—	—	—	—	—	—	—	1	—
Welfare foods											
Income after all taxes and benefits	2,115	2,236	2,397	2,600	2,778	3,039	3,349	3,742	4,307	6,182	3,274
1971											
Decile points	*758*	*1,092*	*1,345*	*1,648*	*1,862*	*2,084*	*2,360*	*2,765*	*3,369*		
(v) **2 adults non-retired**											
Number of households in the sample	168	168	168	168	168	167	168	168	168	168	1,679
Original income	446	947	1,211	1,494	1,756	1,972	2,220	2,546	3,030	4,982	2,060
Direct benefits in cash	—	—	—	—	—	—	—	—	—	—	—
Family allowance	319	125	101	73	65	28	26	12	21	20	79
Pensions	66	40	33	17	14	12	12	11	7	5	22
Unemployment/sickness/injury benefit	34	19	18	7	9	1	3	3	2	1	10
Other direct benefits											
Original income and cash benefits	867	1,131	1,362	1,591	1,844	2,012	2,261	2,572	3,059	5,008	2,171
Direct taxes	37	127	199	273	335	372	451	499	647	1,212	415
Disposable income	828	1,004	1,163	1,318	1,509	1,640	1,811	2,074	2,412	3,795	1,755
Subsidies	21	25	31	13	20	14	20	13	5	2	16
Indirect taxes	221	255	298	340	369	373	416	434	486	661	385
Income after all taxes and transfers	627	774	895	991	1,160	1,281	1,415	1,653	1,930	3,137	1,386
Direct benefits in kind	102	43	28	29	39	20	6	14	—	—	28
Education	107	89	83	79	74	71	70	65	63	65	77
National Health Service	—	—	—	—	—	—	—	—	—	—	—
Welfare foods											
Income after all taxes and benefits	836	906	1,006	1,099	1,273	1,372	1,492	1,731	1,993	3,202	1,491

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

	£ per year										
	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*2,330*	*3,027*	*3,429*	*3,775*	*4,206*	*4,601*	*5,079*	*5,738*	*6,797*		
(vi) **2 adults, 1–4 children**											
Number of households in the sample	187	186	187	187	187	186	187	187	186	187	1,867
Original income	1,392	2,708	3,229	3,607	3,985	4,395	4,831	5,387	6,252	9,123	4,491
Direct benefits in cash											
Family allowance	71	68	73	64	74	80	65	71	67	80	71
Pensions	179	38	40	32	9	6	10	3	10	—	33
Unemployment/sickness/injury benefit	275	66	52	38	31	26	15	15	12	8	54
Other direct benefits	274	48	35	26	19	7	11	12	5	3	44
Original income and cash benefits	2,191	2,927	3,428	3,768	4,118	4,512	4,933	5,489	6,345	9,214	4,693
Direct taxes	80	407	581	618	799	871	1,011	1,176	1,382	2,123	905
Disposable income	2,111	2,520	2,847	3,150	3,320	3,641	3,921	4,313	4,964	7,091	3,788
Subsidies	174	139	148	101	94	103	88	85	55	45	103
Indirect taxes	535	621	683	723	736	752	811	918	968	1,169	792
Income after all taxes and transfers	1,750	2,037	2,311	2,529	2,678	2,993	3,198	3,480	4,051	5,966	3,099
Direct benefits in kind											
Education	482	375	446	444	477	470	499	526	541	536	480
National Health Service	337	352	345	302	290	288	295	295	267	271	304
Welfare foods	46	30	29	29	32	36	33	37	40	44	36
Income after all taxes and benefits	2,616	2,794	3,132	3,304	3,477	3,787	4,025	4,337	4,899	6,818	3,919
1971											
Decile points	*1,077*	*1,329*	*1,535*	*1,691*	*1,875*	*2,039*	*2,254*	*2,597*	*3,207*		
(vi) **2 adults, 1–4 children**											
Number of households in the sample	203	203	203	203	204	203	203	203	203	203	2,031
Original income	716	1,210	1,431	1,613	1,784	1,955	2,145	2,409	2,850	4,416	2,053
Direct benefits in cash											
Family allowance	48	46	41	45	45	43	47	44	48	46	45
Pensions	62	14	2	13	2	3	5	4	4	1	11
Unemployment/sickness/injury benefit	94	47	21	20	12	9	8	9	5	2	23
Other direct benefits	103	26	19	10	12	5	10	5	5	3	20
Original income and cash benefits	1,023	1,343	1,515	1,701	1,855	2,015	2,216	2,471	2,912	4,468	2,152
Direct taxes	45	120	190	215	261	299	346	365	495	821	316
Disposable income	978	1,223	1,324	1,487	1,594	1,716	1,869	2,106	2,417	3,647	1,836
Subsidies	20	25	24	18	20	15	15	12	9	1	16
Indirect taxes	263	311	326	373	354	389	403	436	472	656	398
Income after all taxes and transfers	735	937	1,022	1,132	1,259	1,342	1,481	1,683	1,954	2,992	1,454
Direct benefits in kind											
Education	219	167	147	162	166	183	210	197	206	187	184
National Health Service	119	111	115	108	109	100	104	101	97	94	106
Welfare foods	20	13	9	11	8	9	11	10	9	10	11
Income after all taxes and benefits	1,093	1,228	1,293	1,413	1,543	1,633	1,805	1,992	2,266	3,282	1,755

Average incomes, taxes and benefits, 1976 and 1971

By deciles of original income within household type

TABLE 3 (*continued*)

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*1,278*	*2,805*	*3,876*	*4,756*	*5,461*	*6,202*	*7,116*	*8,205*	*9,909*		
(vii) **Other households**											
Number of households in the sample	155	155	155	155	155	155	155	155	155	155	1,550
Original income	357	2,094	3,328	4,320	5,099	5,825	6,674	7,617	9,003	12,646	5,696
Direct benefits in cash											
Family allowance	83	75	63	63	60	30	31	37	33	28	50
Pensions	487	505	448	286	161	192	168	80	67	106	250
Unemployment/sickness/injury benefit	108	144	94	112	88	68	69	41	46	52	82
Other direct benefits	839	192	117	80	58	37	40	42	36	47	149
Original income and cash benefits	1,874	3,010	4,050	4,861	5,465	6,152	6,981	7,818	9,185	12,880	6,228
Direct taxes	4	229	602	761	1,033	1,342	1,543	1,717	2,178	3,177	1,258
Disposable income	1,870	2,781	3,449	4,100	4,432	4,810	5,439	6,101	7,008	9,703	4,969
Subsidies	197	187	202	144	106	108	129	134	132	106	145
Indirect taxes	389	592	791	944	1,008	1,058	1,190	1,414	1,461	1,797	1,064
Income after all taxes and transfers	1,678	2,376	2,860	3,300	3,530	3,861	4,378	4,821	5,679	8,012	4,050
Direct benefits in kind											
Education	748	651	650	687	640	515	433	563	530	445	586
National Health Service	301	299	325	334	313	309	314	317	326	358	320
Welfare foods	88	49	31	31	33	16	18	21	18	15	32
Income after all taxes and benefits	2,815	3,375	3,866	4,353	4,516	4,701	5,143	5,722	6,552	8,831	4,987
1971											
Decile points	*710*	*1,358*	*1,837*	*2,150*	*2,425*	*2,709*	*3,055*	*3,530*	*4,284*		
(vii) **Other households**											
Number of households in the sample	172	171	172	171	172	171	172	171	172	171	1,715
Original income	267	1,056	1,620	1,995	2,293	2,570	2,882	3,279	3,859	5,900	2,571
Direct benefits in cash											
Family allowance	44	55	42	43	37	25	25	18	22	21	33
Pensions	237	185	140	113	94	72	66	47	51	46	105
Unemployment/sickness/injury benefit	77	67	52	35	29	19	40	23	20	16	38
Other direct benefits	254	89	20	24	28	16	12	9	11	11	47
Original income and cash benefits	879	1,452	1,875	2,210	2,480	2,702	3,024	3,376	3,963	5,994	2,794
Direct taxes	−1	99	242	304	344	424	489	607	726	1,283	451
Disposable income	880	1,354	1,633	1,906	2,136	2,278	2,535	2,769	3,237	4,711	2,343
Subsidies	30	31	29	30	23	33	22	34	28	10	27
Indirect taxes	202	324	407	477	496	535	626	651	715	903	533
Income after all taxes and transfers	707	1,061	1,255	1,459	1,663	1,776	1,931	2,152	2,549	3,818	1,837
Direct benefits in kind											
Education	286	266	238	262	290	218	213	238	234	248	249
National Health Service	117	131	132	133	140	124	123	124	128	130	128
Welfare foods	28	26	9	10	10	6	5	4	4	3	10
Income after all taxes and benefits	1,137	1,485	1,634	1,864	2,103	2,125	2,272	2,518	2,915	4,200	2,225

Average incomes, taxes and benefits, 1976 and 1971

By deciles of disposable income

TABLE 4

£ per year

	Deciles										Average over all deciles
	1	2	3	4	5	6	7	8	9	10	
1976											
Decile points	*1,173*	*1,650*	*2,146*	*2,663*	*3,108*	*3,597*	*4,091*	*4,737*	*5,846*		
All households											
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Original income	200	628	1,461	2,380	3,136	3,821	4,549	5,292	6,495	9,843	3,781
Direct benefits in cash											
Family allowance	3	8	16	27	34	46	43	43	36	39	29
Pensions	597	687	573	364	272	178	159	121	150	115	322
Unemployment/sickness/injury benefit	6	32	43	61	60	56	56	57	34	50	45
Other direct benefits	155	174	100	64	46	52	38	40	26	48	74
Original income and cash benefits	960	1,528	2,193	2,897	3,549	4,153	4,845	5,554	6,740	10,095	4,251
Direct taxes	24	104	292	493	668	803	1,005	1,168	1,519	2,295	837
Disposable income	937	1,425	1,900	2,403	2,881	3,350	3,840	4,386	5,221	7,800	3,414
Subsidies	158	154	117	127	108	108	112	87	80	84	114
Indirect taxes	213	318	430	550	660	751	825	919	1,055	1,434	716
Income after all taxes and transfers	882	1,260	1,587	1,980	2,329	2,707	3,127	3,555	4,247	6,449	2,812
Direct benefits in kind											
Education	175	98	118	181	230	343	331	411	366	443	270
National Health Service	177	239	255	268	269	259	262	259	262	305	255
Welfare foods	2	9	11	16	16	22	22	22	20	22	16
Income after all taxes and benefits	1,235	1,606	1,972	2,445	2,843	3,331	3,742	4,247	4,895	7,219	3,354
1971											
Decile points	*544*	*795*	*1,058*	*1,302*	*1,517*	*1,723*	*1,986*	*2,328*	*2,865*		
All households											
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Original income	104	323	800	1,193	1,536	1,817	2,092	2,461	2,974	4,723	1,802
Direct benefits in cash											
Family allowance	—	5	13	22	25	25	31	33	28	26	21
Pensions	246	279	176	114	67	51	48	53	56	50	114
Unemployment/sickness/injury benefit	10	25	38	30	29	27	19	21	21	19	24
Other direct benefits	75	77	36	25	20	18	18	18	11	12	31
Original income and cash benefits	436	709	1,063	1,383	1,677	1,938	2,208	2,586	3,089	4,831	1,992
Direct taxes	18	44	131	200	260	319	356	438	528	916	321
Disposable income	418	665	931	1,184	1,417	1,619	1,852	2,148	2,561	3,915	1,671
Subsidies	24	20	22	20	23	20	19	18	15	13	20
Indirect taxes	106	161	232	293	339	387	420	465	553	741	370
Income after all taxes and transfers	337	525	722	911	1,101	1,252	1,451	1,702	2,023	3,187	1,321
Direct benefits in kind											
Education	59	39	75	98	110	113	154	180	181	181	119
National Health Service	72	98	94	98	98	99	100	105	106	111	98
Welfare foods	—	3	6	8	8	5	7	7	7	5	6
Income after all taxes and benefits	467	665	897	1,116	1,316	1,469	1,712	1,994	2,317	3,484	1,544

Average incomes, taxes and benefits, 1976

By ranges of original income

TABLE 5

£ per year

	Under 381	381-	557-	816-	987-	1,194-	1,446-	1,749-	2,116-	2,561-	3,099-	3,750-	4,537-	5,490-	6,642	8,038 and above	Average over all income ranges
All households																	
Number of households in the sample	1,078	203	221	132	132	143	174	243	338	487	685	807	817	704	491	548	7,203
Original income	112	464	682	910	1,097	1,322	1,595	*1,933	2,354	2,846	3,423	4,145	4,997	6,002	7,262	10,801	3,781
Direct benefits in cash:																	
Family allowance	10	9	11	4	15	18	21	24	33	32	41	45	42	32	32	33	29
Retirement and old age pension	694	738	711	741	595	561	431	273	218	159	107	68	54	48	49	53	259
Widows' pension	22	41	56	60	35	48	80	70	32	25	22	14	10	16	6	16	24
Disablement and war disability pension	17	26	42	11	22	9	17	15	11	14	12	9	4	10	12	7	13
Invalidity pension and allowances	57	58	44	63	113	47	68	58	33	14	18	10	5	6	1	6	26
Mobility allowance	1	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—
Unemployment benefit	18	35	59	17	47	71	47	58	44	29	19	19	17	12	14	13	24
Sickness/industrial injury benefit	4	12	12	16	29	35	39	55	37	25	28	26	19	17	19	18	21
Family income supplement	—	—	2	—	2	7	2	1	2	1	—	—	—	—	—	—	—
Supplementary benefit	270	119	60	44	81	85	44	29	51	34	22	18	11	14	15	22	66
Maternity benefit	—	1	—	—	—	2	1	4	9	6	7	3	4	2	2	2	3
Death grant	1	1	1	1	—	—	1	2	1	—	—	—	—	—	—	—	—
Redundancy payment	—	—	1	—	2	1	2	2	2	1	1	2	1	1	1	1	1
Other cash benefits	9	2	10	9	—	17	1	—	8	2	2	3	—	—	—	—	3
Original income *plus* cash benefits	1,214	1,508	1,691	1,875	2,038	2,224	2,347	2,523	2,835	3,188	3,704	4,362	5,166	6,160	7,415	10,972	4,251
Direct taxes:																	
National Insurance	—	−3	1	3	7	14	30	53	88	120	151	185	217	260	299	360	148
Income tax and surtax	2	14	54	79	114	132	171	243	292	426	518	690	886	1,167	1,460	2,433	689
Disposable income	1,213	1,496	1,636	1,793	1,917	2,077	2,147	2,227	2,455	2,642	3,035	3,487	4,062	4,733	5,656	8,179	3,414
Indirect subsidies																	
Housing subsidy	164	131	115	80	80	115	104	89	97	94	94	77	63	60	51	53	91
Food subsidy	14	16	16	17	17	18	19	18	21	20	23	24	26	25	28	31	22
Indirect taxes:																	
Local rates	68	71	78	76	88	92	85	86	91	88	100	104	114	119	133	166	102
On final goods and services	114	171	193	222	245	253	249	287	318	364	452	487	554	623	741	948	440
Intermediate products	64	81	87	95	104	107	113	121	129	140	165	181	214	232	278	374	173
Income after all taxes and transfers	1,145	1,320	1,408	1,496	1,578	1,758	1,823	1,840	2,035	2,164	2,435	2,816	3,268	3,844	4,584	6,775	2,812
Direct benefits in kind:																	
Education benefit	122	136	140	160	213	253	173	180	192	235	317	340	366	340	352	384	270
National Health Service	237	265	258	266	242	259	241	234	271	254	268	254	255	242	260	293	255
Welfare foods	10	10	12	2	10	13	13	17	16	15	19	21	21	18	18	18	16
Income after all taxes and benefits	1,513	1,731	1,819	1,924	2,042	2,284	2,249	2,272	2,514	2,668	3,039	3,431	3,911	4,445	5,213	7,471	3,354

Quantile shares of income by household type—1976

TABLE 6

	Percentage share of total income in groups of 5 per cent of households																			
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
1 adult																					
Pensioner																					
Original income	—	—	—	—	—	—	—	—	—	0·5	1·3	3·0	4·5	6·8	8·3	10·0	12·5	14·6	17·1	21·4	100·0
Disposable income	3·4	3·8	4·0	4·1	4·3	4·5	4·6	4·7	4·9	5·0	5·1	5·2	5·3	5·4	5·5	5·6	5·7	5·9	6·1	7·0	100·0
Income after all taxes and benefits	2·5	3·5	3·9	4·1	4·2	4·4	4·5	4·6	4·7	4·8	4·9	5·1	5·2	5·4	5·5	5·7	6·0	6·3	6·7	7·9	100·0
Non-pensioner, retired																					
Original income	0·7	1·6	1·7	1·9	2·0	2·3	2·5	2·8	3·2	3·5	3·7	4·2	4·8	5·4	6·1	6·8	8·0	9·3	11·5	18·0	100·0
Disposable income	2·8	3·3	3·4	3·6	3·7	3·8	3·3	4·1	4·2	4·4	4·6	4·8	5·1	5·3	5·6	5·9	6·4	6·8	7·8	10·5	100·0
Income after all taxes and benefits	2·2	3·3	3·5	3·7	3·9	4·0	4·2	4·3	4·4	4·5	4·8	5·0	5·2	5·4	5·6	5·9	6·2	6·7	7·4	9·8	100·0
Non-pensioner, non-retired																					
Original income	—	0·4	1·0	1·6	2·1	2·6	3·2	3·6	4·0	4·3	4·8	5·2	5·5	5·8	6·3	7·0	7·6	8·5	10·2	16·2	100·0
Disposable income	1·1	2·1	2·5	2·8	3·2	3·4	3·6	3·8	4·1	4·3	4·6	4·8	5·1	5·4	5·9	6·4	7·0	8·0	8·9	12·9	100·0
Income after all taxes and benefits	1·3	2·5	2·7	3·1	3·3	3·5	3·7	3·9	4·1	4·3	4·5	4·8	5·0	5·4	5·7	6·3	7·1	7·9	8·8	12·3	100·0
2 adults																					
Pensioner																					
Original income	—	—	—	—	—	0·2	0·6	2·0	3·3	4·3	5·1	5·7	6·6	7·5	8·3	8·8	9·4	10·0	10·9	17·2	100·0
Disposable income	3·5	4·0	4·2	4·3	4·4	4·4	4·5	4·6	4·7	4·7	4·9	5·0	5·1	5·2	5·3	5·4	5·5	5·6	6·1	8·5	100·0
Income after all taxes and benefits	3·0	3·8	4·0	4·2	4·3	4·4	4·6	4·7	4·8	4·9	5·0	5·1	5·2	5·3	5·4	5·6	5·7	6·0	6·5	7·8	100·0
Non-pensioner, retired																					
Original income	0·3	1·3	1·5	1·7	1·9	2·1	2·3	2·6	2·9	3·1	3·4	3·8	4·3	4·9	5·5	6·5	7·9	9·7	12·8	21·8	100·0
Disposable income	2·6	3·2	3·3	3·4	3·6	3·7	3·9	4·0	4·1	4·3	4·5	4·7	4·9	5·1	5·6	5·9	6·5	7·4	8·3	11·1	100·0
Income after all taxes and benefits	2·2	3·2	3·5	3·7	3·8	4·0	4·1	4·3	4·4	4·5	4·7	4·9	5·0	5·2	5·4	5·8	6·3	6·9	7·7	10·4	100·0
Non-pensioner, non-retired																					
Original income	0·5	1·4	2·0	2·6	2·9	3·3	3·6	3·9	4·3	4·6	4·8	5·1	5·5	5·9	6·2	6·6	7·1	7·8	8·9	13·1	100·0
Disposable income	1·8	2·6	2·9	3·2	3·4	3·7	3·9	4·0	4·3	4·5	4·8	5·0	5·3	5·5	5·8	6·1	6·6	7·2	8·2	11·5	100·0
Income after all taxes and benefits	1·8	2·7	3·0	3·3	3·5	3·7	3·8	4·0	4·2	4·4	4·6	4·9	5·2	5·4	5·7	6·1	6·6	7·2	8·1	11·7	100·0

Quantile shares of income by household type—1976

TABLE 6 (*continued*)

	Percentage share of total income in groups of 5 per cent of households																			
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
2 adults, 1 child																					
Original income	0·5	2·3	2·9	3·2	3·5	3·7	4·0	4·2	4·3	4·6	4·8	5·1	5·4	5·6	5·9	6·2	6·8	7·3	8·0	11·5	100·0
Disposable income	2·2	2·8	3·2	3·4	3·6	3·8	4·0	4·2	4·4	4·6	4·8	5·0	5·2	5·4	5·6	6·0	6·4	6·9	7·7	10·9	100·0
Income after all taxes and benefits	2·0	2·8	3·1	3·5	3·7	3·9	4·1	4·3	4·4	4·6	4·8	5·0	5·2	5·4	5·7	6·0	6·5	6·9	7·6	10·5	100·0
2 adults, 2 children																					
Original income	1·1	2·4	2·9	3·3	3·5	3·8	4·0	4·1	4·4	4·6	4·8	5·0	5·3	5·6	5·8	6·1	6·6	7·2	8·1	11·6	100·0
Disposable income	2·1	2·8	3·2	3·5	3·6	3·8	4·0	4·2	4·4	4·5	4·7	4·9	5·1	5·4	5·6	6·0	6·4	6·9	7·6	11·2	100·0
Income after all taxes and benefits	2·3	3·0	3·2	3·5	3·7	3·9	4·0	4·2	4·4	4·5	4·8	4·9	5·2	5·4	5·7	6·0	6·3	6·8	7·5	10·6	100·0
2 adults, 3 children																					
Original income	0·6	2·0	2·5	2·9	3·3	3·5	3·7	4·0	4·2	4·5	4·6	4·8	5·1	5·4	5·8	6·3	6·8	7·5	8·8	13·7	100·0
Disposable income	2·1	2·7	3·0	3·3	3·5	3·7	4·0	4·1	4·3	4·5	4·7	4·9	5·1	5·3	5·6	5·8	6·3	6·9	8·1	12·1	100·0
Income after all taxes and benefits	2·4	3·2	3·4	3·6	3·7	3·9	4·1	4·3	4·4	4·6	4·8	4·9	5·1	5·3	5·5	5·8	6·1	6·8	7·5	10·6	100·0
2 adults, 4 children																					
Original income	0·2	1·8	2·7	3·2	3·5	3·7	3·8	4·0	4·2	4·4	4·7	4·9	5·1	5·3	5·5	5·8	6·3	7·2	9·0	14·7	100·0
Disposable income	2·1	3·0	3·4	3·7	3·7	3·9	4·0	4·1	4·3	4·5	4·6	4·7	4·9	5·1	5·3	5·4	5·8	6·6	8·2	12·8	100·0
Income after all taxes and benefits	2·6	3·1	3·4	3·9	4·1	4·3	4·4	4·5	4·6	4·8	4·9	4·9	5·1	5·2	5·4	5·6	5·9	6·2	7·0	10·1	100·0
All households in the sample																					
Original income	—	0·1	0·4	0·7	1·3	2·1	2·8	3·5	4·0	4·4	4·9	5·4	5·8	6·3	6·9	7·5	8·2	9·2	10·8	15·8	100·0
Disposable income	1·2	1·6	1·9	2·3	2·6	3·0	3·3	3·7	4·1	4·4	4·7	5·1	5·4	5·8	6·2	6·7	7·3	8·0	9·4	13·5	100·0
Income after all taxes and benefits	1·2	1·8	2·1	2·4	2·7	3·0	3·4	3·7	4·0	4·3	4·7	5·0	5·4	5·8	6·2	6·7	7·2	8·0	9·3	13·1	100·0

Average incomes before and after taxes and benefits—1961–1976

TABLE 7

	Average income					Percentage of original income					Percentage of corresponding income in 1961			
	£ per year					Percentages					1961 =100			
	1961	1965	1969	1975	1976	1961	1965	1969	1975	1976	1965	1969	1975	1976
Retired and non-retired households														
1 adult														
Original income	312	420	510	1,123	1,343	100	100	100	100	100	135	163	360	430
Disposable income	375	502	618	1,393	1,613	120	120	121	124	120	134	165	371	430
Income after all taxes and benefits	341	439	546	1,374	1,576	109	105	107	122	117	129	160	403	462
2 adults														
Original income	824	1,007	1,351	3,129	3,471	100	100	100	100	100	122	164	380	421
Disposable income	809	988	1,273	2,857	3,215	98	98	94	91	93	122	157	353	397
Income after all taxes and benefits	698	828	1,054	2,617	2,931	85	82	78	84	84	119	151	375	420
2 adults, 1 child														
Original income	1,016	1,281	1,586	3,880	4,328	100	100	100	100	100	126	156	382	426
Disposable income	921	1,148	1,398	3,176	3,604	91	90	88	82	83	125	152	345	391
Income after all taxes and benefits	836	1,032	1,220	3,041	3,476	82	81	77	78	80	123	146	364	416
2 adults, 2 children														
Original income	1,026	1,245	1,762	4,039	4,539	100	100	100	100	100	121	172	394	442
Disposable income	961	1,159	1,582	3,345	3,816	94	93	90	83	84	121	165	348	397
Income after all taxes and benefits	936	1,113	1,473	3,461	3,909	91	89	84	86	86	119	157	370	418
2 adults, 3 children														
Original income	967	1,289	1,705	4,266	4,726	100	100	100	100	100	133	176	441	489
Disposable income	962	1,225	1,618	3,539	4,040	99	95	95	83	85	127	168	368	420
Income after all taxes and benefits	1,008	1,263	1,625	4,105	4,567	104	98	95	96	97	125	161	407	453
2 adults, 4 children														
Original income	1,030	1,219	1,638	3,594	4,272	100	100	100	100	100	118	159	349	415
Disposable income	1,023	1,227	1,650	3,374	3,911	99	101	101	94	92	120	161	330	382
Income after all taxes and benefits	1,123	1,343	1,760	4,432	4,966	109	110	107	123	116	120	157	395	442
3 adults														
Original income	1,282	1,616	2,140	4,896	5,705	100	100	100	100	100	126	167	382	445
Disposable income	1,197	1,475	1,907	4,132	4,851	93	91	89	84	85	123	159	345	405
Income after all taxes and benefits	1,035	1,248	1,609	3,765	4,334	81	77	75	77	76	121	155	364	419
3 adults, 1 child														
Original income	1,457	1,571	2,123	5,186	5,971	100	100	100	100	100	108	146	356	410
Disposable income	1,230	1,453	1,879	4,316	4,929	88	92	89	83	83	114	147	337	401
Income after all taxes and benefits	1,182	1,387	1,743	4,391	4,924	81	88	82	85	82	117	147	371	417
3 adults, 2 children														
Original income	1,289	1,661	2,232	5,089	5,925	100	100	100	100	100	129	173	395	460
Disposable income	1,214	1,565	2,070	4,430	5,328	94	94	93	87	90	129	171	365	439
Income after all taxes and benefits	1,190	1,607	2,014	4,830	5,790	92	97	90	95	98	135	169	406	487
4 adults														
Original income	1,742	2,064	2,789	6,989	8,105	100	100	100	100	100	118	160	401	465
Disposable income	1,558	1,860	2,456	5,625	6,518	89	90	88	80	80	119	158	361	418
Income after all taxes and benefits	1,352	1,625	2,079	5,107	6,014	78	79	75	73	74	120	154	378	445
All households in the sample														
Original income	960	1,172	1,519	3,386	3,781	100	100	100	100	100	122	158	353	394
Disposable income	922	1,121	1,421	3,016	3,414	96	96	94	89	90	122	154	327	370
Income after all taxes and benefits	847	1,019	1,271	3,000	3,354	88	87	84	89	89	120	150	354	396

Distribution of households co-operating in the Family Expenditure Survey

By deciles of original income

TABLE 8

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
1976											
1 adult retired	406	286	127	23	5	2	2	—	1	—	852
2 adults retired	158	258	166	44	15	11	9	8	3	5	677
1 adult non-retired	39	61	129	144	98	58	29	28	17	13	616
2 adults non-retired	24	36	148	214	192	205	209	233	221	159	1,641
2 adults, 1–4 children	22	27	70	185	308	331	326	253	216	129	1,867
Others	71	52	81	110	102	114	145	198	263	414	1,550
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Average original income (£ per year)	33	409	1,277	2,376	3,180	3,877	4,585	5,420	6,583	10,066	3,781
1971											
1 adult retired	400	227	59	11	10	3	3	—	2	7	722
2 adults retired	203	219	84	17	13	7	8	5	5	5	566
1 adult non-retired	33	100	147	95	52	28	30	20	10	11	526
2 adults non-retired	12	71	201	230	186	217	210	192	199	161	1,679
2 adults, 1–4 children	22	29	119	274	357	333	298	243	196	160	2,031
Others	54	78	114	97	106	135	175	264	312	380	1,715
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Average original income (£ per year)	23	258	777	1,195	1,531	1,827	2,115	2,471	3,015	4,813	1,802

Distribution of households co-operating in the Family Expenditure Survey

By deciles of original income *plus* cash benefits

TABLE 9

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
1976											
1 adult retired	565	177	69	24	12	2	2	—	1	—	852
2 adults retired	21	321	177	68	31	23	12	8	10	6	677
1 adult non-retired	86	77	134	130	58	57	22	27	15	10	616
2 adults non-retired	18	44	156	194	209	218	217	233	203	149	1,641
2 adults, 1–4 children	9	27	116	216	314	319	301	236	207	122	1,867
Others	21	74	69	88	96	102	166	216	285	433	1,550
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Average original income *plus* cash benefits (£ per year)	951	1,490	2,129	2,855	3,516	4,133	4,810	5,609	6,768	10,254	4,251
1971											
1 adult retired	537	100	40	19	7	5	4	1	2	7	722
2 adults retired	64	317	86	42	17	7	10	10	7	6	566
1 adult non-retired	88	119	113	77	37	30	27	14	12	9	526
2 adults non-retired	15	71	221	218	203	221	206	192	178	154	1,679
2 adults, 1–4 children	7	34	161	292	345	331	293	222	191	155	2,031
Others	13	83	103	76	115	129	184	285	334	393	1,715
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Average original income *plus* cash benefits (£ per year)	425	697	1,040	1,368	1,662	1,932	2,220	2,573	3,109	4,894	1,992

Distribution of households co-operating in the Family Expenditure Survey

By deciles of disposable income

TABLE 10

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
1976											
1 adult retired	556	192	69	20	9	3	1	1	1	—	852
2 adults retired	19	259	195	87	49	22	20	14	8	4	677
1 adult non-retired	94	131	142	87	59	35	31	15	17	5	616
2 adults non-retired	20	46	148	221	238	217	228	203	187	133	1,641
2 adults, 1–4 children	10	26	110	229	289	333	282	245	203	140	1,867
Others	21	66	57	76	76	111	158	242	305	438	1,550
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Average disposable income (£ per year)	937	1,425	1,900	2,403	2,881	3,350	3,840	4,386	5,221	7,800	3,414
1971											
1 adult retired	530	112	45	12	6	7	1	2	2	5	722
2 adults retired	59	300	105	45	16	12	7	12	6	4	566
1 adult non-retired	93	141	120	70	36	25	16	8	10	7	526
2 adults non-retired	20	75	217	236	236	223	205	175	154	138	1,679
2 adults, 1–4 children	9	29	149	282	314	327	316	245	194	166	2,031
Others	13	67	88	79	116	129	179	282	358	404	1,715
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Average disposable income (£ per year)	418	665	931	1,184	1,417	1,619	1,852	2,148	2,561	3,915	1,671

Distribution of households co-operating in the Family Expenditure Survey

By deciles of income after all taxes and transfers

TABLE 11

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
1976											
1 adult retired	455	252	94	30	12	4	2	1	2	—	852
2 adults retired	47	184	210	108	48	30	25	10	10	5	677
1 adult non-retired	113	139	116	92	45	31	38	20	15	7	616
2 adults non-retired	43	55	136	215	235	226	195	207	187	142	1,641
2 adults, 1–4 children	30	45	104	205	284	313	278	252	207	149	1,867
Others	32	45	61	70	96	117	182	230	300	417	1,550
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Average income after all taxes and transfers (£ per year)	764	1,245	1,594	1,954	2,321	2,698	3,116	3,603	4,297	6,531	2,812
1971											
1 adult retired	465	152	61	15	8	5	6	2	1	7	722
2 adults retired	79	246	119	49	27	15	14	4	8	5	566
1 adult non-retired	85	133	113	79	38	30	17	14	8	9	526
2 adults non-retired	44	87	201	217	226	214	205	182	154	149	1,679
2 adults, 1–4 children	26	51	143	260	308	307	299	250	207	180	2,031
Others	25	55	87	104	117	152	183	272	346	374	1,715
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Average income after all taxes and transfers (£ per year)	301	518	703	897	1,080	1,260	1,461	1,704	2,056	3,231	1,321

Distribution of households co-operating in the Family Expenditure Survey

By deciles of income after all taxes and benefits

TABLE 12

	Deciles										
	1	2	3	4	5	6	7	8	9	10	All households
1976											
1 adult retired	502	248	68	23	5	3	1	2	—	—	852
2 adults retired	24	174	248	119	48	32	15	9	5	3	677
1 adult non-retired	128	183	112	65	42	42	20	11	11	2	616
2 adults non-retired	35	69	188	279	281	212	212	152	125	88	1,641
2 adults, 1–4 children	14	28	69	159	249	309	296	306	276	161	1,867
Others	17	18	36	75	95	123	176	240	304	466	1,550
Number of households in the sample	720	720	721	720	720	721	720	720	721	720	7,203
Average income after all taxes and benefits (£ per year)	1,002	1,507	1,932	2,356	2,799	3,242	3,732	4,328	5,121	7,515	3,354
1971											
1 adult retired	507	138	40	14	6	6	3	1	3	4	722
2 adults retired	49	261	141	52	23	16	8	8	4	4	566
1 adult non-retired	111	153	107	64	36	18	18	7	7	5	526
2 adults non-retired	36	108	245	278	247	214	190	148	97	116	1,679
2 adults, 1–4 children	14	30	118	217	304	317	305	290	262	174	2,031
Others	7	34	73	99	108	152	200	270	351	421	1,715
Number of households in the sample	724	724	724	724	724	723	724	724	724	724	7,239
Average income after all taxes and benefits (£ per year)	394	632	843	1,066	1,284	1,488	1,713	1,994	2,393	3,632	1,544

Recent trends in sales of land and buildings

A. T. DUNN and A. GANGULY, Inland Revenue

Introduction

An article published in *Economic Trends* in September 1976[1] provided detailed estimates of sales of land and buildings in England and Wales in October 1973, October 1974 and November 1975, and some broad monthly and quarterly estimates of conveyances in England and Wales, Scotland and Northern Ireland. For England and Wales it also provided quarterly statistics of sales of over £500,000 based on a comprehensive analysis of such cases.

The present article gives detailed estimates for November 1976. It brings up to date the monthly and quarterly series, and from July 1974 it sub-divides cases over £15,000 between those below and above £30,000. Finally, it extends the large case analysis down to all sales of over £100,000.

Basic procedure

The survey of November 1976 was carried out in the same way as its predecessors and covered one week in November 1976. The rules adopted for classification were described in an article in *Economic Trends* for May 1974[2]. The confidentiality of individual transactions was preserved by combining any cell based on a sample of less than five transactions with another cell. The results of the survey were grossed up to estimates for the month using the same procedure as for the survey of November 1975 (described in the September 1976 article[1]), but with the further improvement that the survey could be supplemented by comprehensive data for the whole month for all cases over £100,000, and not merely for those above £500,000.

Strictly, all transactions in real property are transactions in land, but in these surveys the term 'land' is used to describe agricultural land, with or without buildings, and other land without buildings.

The article consists of four main sections:

i Broad annual trends in England and Wales, Scotland and Northern Ireland;

ii Detailed analyses for the four survey months, relating to England and Wales, by property type, price range, standard economic region, and sector of seller and of purchaser;

iii Monthly and quarterly estimates of the values of sales in England and Wales, Scotland and Northern Ireland based on Stamp Duty data;

iv Analyses of comprehensive large-case statistics for England and Wales.

Summary figures are shown in Tables A—E, and further detail is given in the Appendix (Tables 1—7).

BROAD ANNUAL TRENDS

England and Wales

Table D shows that, in round terms, the value of sales of land and buildings in England and Wales is estimated at £12,000 million in 1973, £10,000 million in 1974, £12,000 million in 1975 and £13,500 million in 1976. The level of sales in 1977 is unlikely to have been lower than in 1976.

At first glance these estimates might suggest a general recovery in activity but in fact they subsume a gradually rising trend in the money value of sales of residential property, reflecting increases in house prices, and a much more varied picture for non-residential property. Table A and Chart 1 show that the value of sales of non-residential property in October 1973 was £365 million (as compared with £760 million for residential property). It fell by a half between October 1973 and October 1974 and had declined further by November 1975. By November 1976 it had risen to just above the level of October 1974 but was thus still well below that of October 1973. In terms of numbers of sales the picture is more stable although there was a considerable drop from the level of October 1973 for transactions above £100,000, both residential and non-residential.

Useful insight can be obtained into the movements in all residential and non-residential property by grouping sales of land and buildings into three ranges — below £15,000, £15,000 to £30,000, and £30,000 and over — for which estimates are available from data of stamp duty receipts and of the total number of transactions. This analysis is shown in Table D from the fourth quarter of 1974. For earlier periods the two upper ranges are combined.

Due to a decline in activity in the non-residential property sector, sales over £15,000 declined by 25 per cent between 1973 and 1974, from £6,200 million to £4,700 million. Following this decline, there was an upsurge of interest in both residential and non-residential properties and sales rose to £5,000 million in 1975 and to £6,600 million in 1976. The level of sales in the first nine months of 1977 was slightly higher than during the same period in 1976.

The figures show that sales of properties above £30,000 accounted for 18 per cent by value of all sales in 1975, while in 1976 and the first three quarters of 1977 the figure had risen to 23 per cent. At the lower end of the market, sales of properties, mainly residential, below £15,000 accounted for an increasing proportion of the total value of sales between 1973 and 1975, rising from 48 per cent to 59 per cent before declining to 51 per cent in 1976 and to 50 per cent in the first three quarters of 1977.

Scotland and Northern Ireland

Table 5 in the Appendix shows that in both Scotland and Northern Ireland there was a continuing upward trend of sales in marked contrast with the varied picture in England and Wales. In Scotland the value of transactions over £15,000 more than doubled between 1973 and 1976, from £236 million to £492 million. The corresponding figures for Northern Ireland indicate an even sharper increase.

DETAILED SURVEY RESULTS FOR ENGLAND AND WALES

By type of property and broad price range

Throughout this section the statistics and comparisons relate to the survey months October 1973, October 1974, November 1975 and November 1976. In Table A the grossed-up data are given for the four survey months. A more detailed sub-division for November 1976 by type of property, cross-classified by price range is shown in Appendix Table 1. Corresponding details for the three previous survey months were published in the last article[1].

The value of sales of residential property has risen in each survey month but that of non-residential property has been depressed in comparison with October 1973. In the range below £15,000 the number of transactions in residential properties remained static while the value had increased by 30 per cent by November 1976. Transactions in non-residential property declined sharply between October 1973 and October 1974 and remained at the lower level in terms of both number and value. In particular, sales of £100,000 or more which constitute a sizeable proportion of non-residential sales remained at a low level subsequent to October 1973. But in November 1976 sales of non-residential property showed some uplift.

By type of property and standard economic region

The numbers and values of sales of residential and non-residential property by economic region are shown in Table B. A further sub-division by type of property for November 1976 is shown in Table 2 of the Appendix, and Table 3 shows the movement in average prices of residential properties transacted for the four survey months.

In October 1974 and November 1975 the number of transactions in residential property was lower than in October 1973 in most regions except the South East (outside Greater London), but in November 1976 it showed an increase for the majority of regions. On the other hand, by November 1975 the value of transactions was noticeably greater than in October 1973 and the striking continuation of this trend in 1976 is illustrated by the average prices shown in Table 3. Average prices were higher in all regions, particularly so for freehold properties in the North and for leasehold properties in the South-West.

For non-residential property the number of transactions was a little lower than that of October 1973 in the three subsequent survey months whilst the value was much lower in nearly all cases. This demonstrates that a large part of the fall in activity after 1973 was in the larger transactions.

Analysis by sector of seller and purchaser

Table C shows sales, purchases and net sales by broad economic sectors and Chart 2 shows the net position graphically. Table 4 provides a two-way classification of buyers and sellers.

The most important sectors involved in the property market are persons and companies (especially property companies and builders). Persons were net purchasers of residential property throughout this period but made sizeable net sales of non-residential property in October 1973 and small net sales in subsequent periods. Companies, on the other hand, made net sales of residential property (mainly to persons) throughout this period. Of non-residential property they made net purchases in October 1973 but net sales subsequently.

Sales of land and buildings in England and Wales, by type of property and broad price range

TABLE A

Broad price range—lower limit (£ thousand)	Numbers (thousands)				(Values £ million)		
	Survey month	Residential[1]	Non-residential	Total	Residential[1]	Non-residential	Total
0–	Oct 1973	82	13	94	495	32	527
	Oct 1974	73	11	84	527	28	555
	Nov 1975	76	11	86	567	29	595
	Nov 1976	81	13	94	637	31	668
15–	Oct 1973	11	2·5	14	252	86	338
	Oct 1974	11	1·5	12	240	59	298
	Nov 1975	15[2]	1·7	16[2]	312[2]	54	366[2]
	Nov 1976	17	1·6	19	379	58	437
100–	Oct 1973	0·14	1·0	1	13	247	260
	Oct 1974	0·07	0·3	0·4	20	93	114
	Nov 1975	—[2]	0·3	0·3[2]	—[2]	74	74[2]
	Nov 1976	0·03	0·3	0·3	5	105	110
Total	Oct 1973	93	16	109	760	365	1,125
	Oct 1974	84	13	97	786	180	967
	Nov 1975	90	13	103	879	156	1,035
	Nov 1976	98	15	113	1,021	194	1,214

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.

[2] Two price ranges for residential property have been combined to preserve confidentiality.

Sales of land and buildings in England and Wales, by type of property and standard economic region

TABLE B

Standard economic region	Residential[1]				Non-residential				All properties			
	Oct 1973	Oct 1974	Nov 1975	Nov 1976	Oct 1973	Oct 1974	Nov 1975	Nov 1976	Oct 1973	Oct 1974	Nov 1975	Nov 1976
	Numbers (thousand)											
North	5·2	4·6	4·5	4·7	0·7	0·7	0·4	0·5	5·9	5·3	4·9	5·2
Yorkshire and Humberside	8·5	7·7	9·7	9·3	1·2	1·2	1·3	1·2	9·7	8·8	11·0	10·5
East Midlands	6·5	5·8	6·7	8·0	1·4	1·4	1·3	1·6	7·9	7·2	8·0	9·6
East Anglia	3·2	2·6	3·0	3·0	1·0	0·7	0·6	0·8	4·2	3·2	3·6	3·9
South East[2]	17·3	18·4	21·4	21·2	3·1	2·8	3·1	3·5	20·4	21·2	24·5	24·7
Greater London	13·0	12·2	12·3	13·5	1·7	1·4	1·1	1·5	14·6	13·7	13·4	15·0
South West	8·7	5·9	6·7	9·3	2·2	1·5	1·4	2·0	10·8	7·4	8·1	11·3
West Midlands	10·1	8·5	8·7	10·2	1·7	1·3	1·3	1·6	11·8	9·8	10·1	11·8
North West	15·0	13·0	13·1	13·8	1·8	0·9	1·1	1·4	16·8	14·0	14·2	15·2
Wales	5·4	4·9	4·4	5·1	1·3	1·0	0·8	1·0	6·7	5·9	5·2	6·0
England and Wales	92·9	83·5	90·4	98·0	16·1	13·0	12·6	15·1	108·9	96·5	103·0	113·1
	Values (£ million)											
North	28·7	29·4	30·5	39·6	8·2	3·2	2·9	4·2	36·9	32·6	33·4	43·9
Yorkshire and Humberside	43·1	46·9	70·3	77·4	12·3	9·8	8·6	12·5	55·4	56·7	78·9	89·9
East Midlands	43·8	45·4	56·9	68·7	27·3	11·2	12·4	17·5	71·1	56·6	69·3	86·2
East Anglia	27·8	24·7	28·9	30·3	23·8	4·1	5·7	7·7	51·6	28·8	34·6	38·0
South East[2]	210·7	249·0	279·0	290·1	63·3	52·0	42·6	54·4	274·0	301·0	321·6	344·5
Greater London	137·9	152·0	143·7	164·4	52·2	52·0	38·6	39·4	190·1	204·0	182·3	203·8
South West	92·1	66·3	75·0	112·5	44·6	21·4	14·9	22·5	136·7	87·7	89·9	135·0
West Midlands	64·3	64·5	72·9	86·7	71·2	12·8	11·4	13·3	135·3	77·3	84·3	99·9
North West	79·9	74·1	90·1	107·0	47·7	6·3	10·7	16·8	127·6	80·4	100·8	123·7
Wales	31·6	33·8	31·5	44·2	14·4	7·5	8·6	5·3	46·0	41·4	40·1	49·6
England and Wales	759·9	786·2	878·8	1,020·9	364·7	180·4	156·3	193·6	1,124·6	966·6	1,035·1	1,214·5

Note: Components may not add precisely to totals because of rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Excluding Greater London.

Almost all the sales of residential property by persons went to other persons whereas up to about one fifth of their purchases came from other sectors. Overall, net purchases by persons increased in the four survey months successively from £30 million to £90 million, to £110 million and finally to £140 million.

In the first of the four surveys about one fifth of company sales and purchases were by 'unclassified companies', i.e. they could not be classified between 'property companies and builders' and 'other companies'. For subsequent surveys this residual was reduced to less than 10 per cent. Nearly all company transactions in residential property were by property companies and builders. From October 1974 onwards about 60 per cent of company sales of non-residential property were by property companies and builders whilst purchases were more evenly split. Sales and purchases of non-residential property by 'other' companies tended to be about equal.

In all four surveys a large proportion of the transactions by banks and insurance companies was in cases over £100,000. Because such transactions are relatively few and vary considerably in value, estimates from surveys covering single weeks are subject to considerable sampling error and may not give a very accurate picture of the activity of these institutions. The new series covering all cases over £100,000 should overcome this difficulty.

The estimates shown in the two-way analyses by sector of seller and of purchaser in Table 4 will vary in accuracy not only on account of the number of transactions in the sample but also with the pattern of transactions between sectors. But a reassuring feature of this table is the consistent orders of magnitude shown in many quite small cells in all four survey months.

ESTIMATES OF VALUE OF SALES BASED UPON STAMP DUTY DATA

Basic procedure

By grossing up the monthly receipts of Stamp Duty on sales of land and buildings by the reciprocals of the rates of duty, corresponding figures of the value of dutiable sales are obtained; separate figures are available for England and Wales, Scotland and Northern Ireland. Estimates of non-dutiable sales in England and Wales are obtained by a combination of data on the number of documents submitted each month (the total of dutiable and non-dutiable

Sales and purchases of land and buildings in England and Wales, by sector

TABLE C

£ million

Survey month	Sector	Residential[1]			Non-residential			All properties		
		Sales	Purchases	Net sales	Sales	Purchases	Net sales	Sales	Purchases	Net sales
Oct 1973	Persons	592	674	− 82	145	92	53	737	766	− 30
	Property companies	99	33	66	70	100	−30	169	133	36
	Other companies	5	8	− 3	98	89	9	103	96	7
	Unclassified companies	34	20	14	27	35	− 8	61	55	6
	Local authorities	12	15	− 3	3	8	− 6	15	23	− 8
	Others[2]	18	10	8	22	41	−19	40	51	− 11
	Total	760	760	—	365	365	—	1,125	1,125	—
Oct 1974	Persons	610	710	−100	61	53	8	671	763	− 92
	Property companies	157	18	139	52	28	24	209	46	163
	Other companies	5	5	—	36	30	6	41	35	6
	Unclassified companies	3	9	− 6	2	6	− 4	4	15	− 11
	Local authorities	4	32	− 28	3	20	−16	7	50	− 43
	Others[2]	8	12	− 4	27	44	−17	35	57	− 22
	Total	786	786	—	180	180	—	967	967	—
Nov 1975	Persons	718	833	−114	51	47	4	769	880	−110
	Property companies	131	13	118	42	26	16	173	39	134
	Other companies	6	5	1	27	23	4	33	27	6
	Unclassified companies	5	2	3	7	2	5	13	4	9
	Local authorities	5	17	− 12	3	16	−13	8	33	− 25
	Others[2]	13	9	4	27	43	−16	40	53	− 13
	Total	879	879	—	156	156	—	1,035	1,035	—
Nov 1976	Persons	829	974	−145	61	55	6	890	1,029	−138
	Property companies	145	17	128	65	35	30	210	52	158
	Other companies	9	6	3	27	29	− 2	35	35	—
	Unclassified companies	13	5	8	5	10	− 5	18	16	2
	Local authorities	10	14	− 4	5	16	−12	14	30	− 16
	Others[2]	15	5	11	31	48	−17	46	53	− 7
	Total	1,021	1,021	—	194	194	—	1,214	1,214	—

Note: Components may not add precisely to totals because of rounding. *Source: Survey data*

[1] Including multiple transactions.
[2] Including central government, nationalised industries, banks and insurance companies.

sales) and survey data. A more detailed description of the methodology was given in the last article [1].

Results

Table D provides, for England and Wales, quarterly estimates for transactions below and above £15,000 (and also for those above £30,000 since the fourth quarter of 1974). In addition, Table 5 gives monthly estimates of the value of sales over £15,000 for England and Wales, Scotland and Northern Ireland. These results are also illustrated on Charts 3 and 4. The series above £30,000 reflects mainly non-residential property whilst those below reflect mainly residential.

Chart 3 demonstrates the fall in activity in England and Wales which followed the high level of 1973. This low level of activity continued into the second half of 1974. During 1975 and the first half of 1976 sales rose gradually, partly because of rising house prices but also because of a gentle uplift in non-residential transactions. There was then a big rise in the third quarter of 1976 and by the third quarter of 1977 the monetary value of sales had risen to a new peak. Another feature is that each year the value of sales was lower in the first quarter than in the preceding fourth quarter.

ANALYSIS OF LARGE CASES IN ENGLAND AND WALES

Since May 1974 comprehensive data have been available on all cases of £500,000 and over, and from November 1976 this information was extended to cover all cases of £100,000 and over. Broad trends of values are shown in Table E, and regional and sectoral breakdowns for the fourth quarter of 1976 and the first quarter of 1977 in Tables 6 and 7 respectively.

Table E shows, as might be expected, that the figures for large cases above £500,000 are very variable. By comparison with the October 1973 survey it would seem that activity in large cases was low throughout 1974 and 1975,

Sales of land and buildings in England and Wales, by broad price range

TABLE D

	£ thousand million			
	Below £15,000	£15,000 to £30,000	Above £30,000	Total
1973	5·72	6·20		11·92
1974	5·25	4·68		9·93
1975	7·27	2·73	2·27	12·27
1976	6·83	3·44	3·14	13·41
1973 *1*	1·36	1·50		2·86
2	1·46	1·54		3·00
3	1·50	1·55		3·05
4	1·40	1·61		3·01
1974 *1*	1·21	1·22		2·43
2	1·07	1·29		2·36
3	1·37	1·06		2·43
4	1·60	0·56	0·55	2·70
1975 *1*	1·55	0·51	0·47	2·53
2	1·87	0·65	0·55	3·07
3	1·95	0·79	0·57	3·31
4	1·90	0·79	0·67	3·36
1976 *1*	1·55	0·70	0·64	2·89
2	1·72	0·82	0·72	3·26
3	1·78	0·98	0·95	3·71
4	1·78	0·93	0·84	3·54
1977 *1*	1·54	0·75	0·67	2·95
2	1·77	0·91	0·77	3·45
3	1·88	1·15	1·00	4·03

Note: Components may not add precisely to totals because of rounding.
Source: Stamp duty data
Statistics of numbers of conveyances.

falling to its lowest level in the first quarter of 1976. There was then a very steep increase and activity remained at a high level during the rest of 1976 but fell somewhat in 1977. The decline in the value of sales in the first quarter of each year compared with the fourth quarter of the preceeding year was also evident in this series. For transactions in the range £100,000—£500,000, Table E shows a steadily rising value of sales due almost entirely to sales of non-residential properties.

In the fourth quarter of 1976 and the first quarter of 1977 a significant proportion of sales over £100,000 were concentrated in the Greater London area, followed by the rest of the South East, so that together they accounted for two-thirds of the total. This applied to all types of property, but in the case of land, the South East outside Greater London was the most active region and there was a fairly wide spread otherwise.

Over 40 per cent of all sales over £100,000 were by property companies, but less than a quarter of the purchases. Other companies accounted for about 20 per cent of both sales and purchases. A large proportion of the remaining transactions was by insurance companies and building societies.

[1] A. T. Dunn, 'Conveyancing since 1973': *Economic Trends* No 275, September 1976 (HMSO)
[2] A. T. Dunn and J. A. Astin, 'Surveys of Conveyancing': *Economic Trends* No 247, May 1974 (HMSO)

Sales of land and buildings in England and Wales: analysis of large cases

TABLE E

	£ million											
	£100,000–£500,000				£500,000 and over				£100,000 and over			
	Residential[1]	Land[2]	Commercial	All properties	Residential[1]	Land[2]	Commercial	All properties	Residential[1]	Land[2]	Commercial	All properties
1974 *2*					6[3]	43[3]	70[3]	118[3]				
3					31		149	180				
4					32	40	69	141				
1975 *1*					27		73	100				
2					6	39	71	117				
3					4	15	91	110				
4					—	39	133	172				
1976 *1*					29		49	78				
2					8	70	207	285				
3					4	29	253	286				
4	98[4]		66[4]	164[4]	30		217	246	29	98	283	410
1977 *1*	26	71	85	181	8	40	141	189	34	111	226	370
2	27	90	93	210	8	29	165	203	35	119	258	413
3	95		105	200	42		165	207	37	99	270	406
Financial year:												
1974/75					38	139	360	539				
1975/76					10	120	338	470				
1976/77					20	169	818	1,006				

Note: Components may not add precisely to totals due to rounding. *Source: Statistics of large cases*
[1] Including multiple transactions. [2] Agricultural land, with or without buildings, and other land without buildings.
[3] May and June figures grossed up to the quarter. [4] November and December figures grossed up to the quarter.

APPENDIX

Sales of land and buildings in England and Wales, by type of property and detailed price range, November 1976

TABLE 1

	Price range–lower limit (£ thousand)	Residential[1]			Non-residential				All properties
		Freehold	Leasehold	Total	Land[2]	Commercial freehold	Commercial leasehold	Total	Total
Numbers	0–	38,840	12,279	51,119	7,330	1,071	3,951	12,352	63,471
	10–	24,720	5,124	29,844	487	211	85	783	30,627
	15–	8,142	1,037	9,179	191	103	50	344	9,523
	20–	5,202	483	5,685	253	196	80	529	6,214
	30–	1,179	135	1,314	84	109	21	214	1,528
	40–	573	84	657	155	97	29	281	938
	60–	134	40	174	146	74	37	257	431
	100–	20		20	150	91	59	300	320
	Total	78,810	19,182	97,992	8,796	1,952	4,312	15,060	113,052
Values (£ million)	0–	220	56	276	15	3	3	21	297
	10–	300	61	361	6	2	1	9	371
	15–	138	17	156	3	2	1	6	162
	20–	125	11	137	6	5	2	13	149
	30–	40	5	44	3	4	1	7	52
	40–	26	4	31	8	5	1	14	44
	60–	9	4	13	11	6	3	19	33
	100–	3		3	35	27	42	105	108
	Total	862	159	1,021	87	53	54	194	1,214

Note: Components may not add precisely to totals due to rounding.

Source: Survey data

[1] Including multiple transactions.

[2] Agricultural land, with or without buildings, and other land without buildings.

Sales of land and buildings in England and Wales, by type of property and standard economic region, November 1976

TABLE 2

Standard economic region	Residential[1]			Non-residential				All properties
	Freehold	Leasehold	Total	Land[2]	Commercial freehold	Commercial leasehold	Total	Total
	Numbers							
North	3,976	733	4,709	293	73	114	480	5,189
Yorkshire and Humberside	8,035	1,253	9,288	758	210	248	1,216	10,504
East Midlands	7,619	379	7,998	1,164	202	215	1,581	9,579
East Anglia	2,871	178	3,049	583	73	149	805	3,854
South East[3]	18,791	2,380	21,171	2,016	443	1,026	3,485	24,656
Greater London	8,789	4,673	13,462	210	225	1,100	1,535	14,997
South West	8,334	943	9,277	1,367	296	355	2,018	11,295
West Midlands	7,670	2,541	10,211	970	140	463	1,573	11,784
North West	9,062	4,709	13,771	762	188	440	1,390	15,161
Wales	3,663	1,393	5,056	673	102	202	977	6,033
England and Wales	78,810	19,182	97,992	8,796	1,952	4,312	15,060	113,052
	Values (£ million)							
North	33·3	6·4	39·6	2·3	1·4	0·6	4·2	43·9
Yorkshire and Humberside	69·0	8·4	77·4	7·9	2·8	1·7	12·5	89·9
East Midlands	65·9	2·8	68·7	7·5	2·5	7·5	17·5	86·2
East Anglia	28·8	1·5	30·3	6·2	1·0	0·5	7·7	38·0
South East[3]	268·5	21·6	290·1	27·3	11·8	15·3	54·4	344·5
Greater London	117·3	47·2	164·4	2·2	18·0	19·2	39·4	203·8
South West	103·1	9·3	112·5	14·6	5·7	2·2	22·5	135·0
West Midlands	68·9	17·8	86·7	8·0	3·4	1·9	13·3	99·9
North West	74·1	32·9	107·0	7·6	4·4	4·8	16·8	123·7
Wales	33·2	11·1	44·2	3·3	1·7	0·3	5·3	49·6
England and Wales	862·0	158·8	1,020·9	86·9	52·8	53·9	193·6	1,214·5

Note: Components may not add precisely to totals due to rounding.

Source: Survey data

[1] Including multiple transactions.
[2] Agricultural land, with or without buildings, and other land without buildings.
[3] Excluding Greater London.

Sales of residential property in England and Wales: average price[1], by standard economic region

TABLE 3

Standard economic region	£ thousand							
	Freehold				Leasehold			
	Oct 1973	Oct 1974	Nov 1975	Nov 1976	Oct 1973	Oct 1974	Nov 1975	Nov 1976
North	7·9	7·7	7·6	9·8	7·0	7·6	9·0	9·5
Yorkshire and Humberside	6·9	7·6	8·9	9·5	6·6	7·3	7·8	8·9
East Midlands	8·1	8·7	9·4	9·8	9·0	8·4	8·4	9·1
East Anglia	9·7	10·1	10·4	10·5	10·5	9·7	9·3	9·8
South East[2]	13·3	13·8	14·1	14·6	10·4	10·8	10·8	11·0
Greater London	12·2	13·7	13·7	14·6	13·8	12·9	13·3	13·6
South West	11·7	11·5	12·1	12·7	10·1	12·0	9·3	11·5
West Midlands	9·3	9·5	10·4	10·3	7·8	8·7	9·4	9·8
North West	8·3	8·4	9·4	9·9	6·8	7·4	8·0	8·4
Wales	7·9	9·0	9·2	10·4	7·7	8·6	9·3	10·4
England and Wales	10·4	11·0	11·5	12·0	9·1	9·4	9·9	10·5

[1] Excluding properties below £2,000 and above £100,000 but including multiple transactions.
[2] Excluding Greater London.

Source: Survey data

Sales of land and building in England and Wales, by sector of seller and buyer

TABLE 4

£ million

Selling sector	Buying sector	Residential[1] Oct 1973	Oct 1974	Nov 1975	Nov 1976	Non-residential Oct 1973	Oct 1974	Nov 1975	Nov 1976	All properties Oct 1973	Oct 1974	Nov 1975	Nov 1976
Persons	Persons	532	571	689	799	71	39	33	39	603	610	722	839
	Property companies	21	10	8	9	33	5	6	6	54	15	14	15
	Other companies	6	3	3	4	10	9	5	6	16	12	8	10
	Unclassified companies	15	1	1	3	12	1	1	4	27	2	2	7
	Local authorities	14	22	12	11	1	2	4	2	15	24	16	13
	Other[2]	4	4	4	3	17	3	1	4	21	7	5	7
	Total	592	610	718	829	145	61	51	61	737	671	769	890*
Property companies	Persons	85	122	118	134	13	6	4	7	98	128	122	142
	Property companies	9	8	4	6	33	15	11	17	42	23	15	23
	Other companies	2	1	—	1	7	4	3	8	9	5	3	9
	Unclassified companies	2	8	—	2	5	4	1	2	7	12	1	3
	Local authorities	—	10	5	1	6	7	5	4	6	16	10	6
	Other[2]	2	8	4	1	5	16	17	26	7	24	21	27
	Total	99	157	131	145	70	52	41	65	169	209	173	210
Other companies	Persons	4	4	4	7	3	4	5	4	7	7	9	12
	Property companies	—	—	—	—	16	5	4	3	16	5	4	3
	Other companies	—	—	1	—	64	15	10	10	64	15	11	11
	Unclassified companies	1	—	—	—	14	—	—	2	14	—	—	2
	Local authorities	—	1	—	—	—	7	3	2	—	7	3	3
	Other[2]	—	—	—	—	2	5	5	4	2	5	5	4
	Total	5	5	6	9	98	36	27	27	103	41	33	35
Unclassified companies	Persons	30	3	5	11	2	1	1	1	32	3	6	12
	Property companies	2	—	—	1	11	1	1	1	13	1	1	2
	Other companies	—	—	1	—	7	—	1	1	7	—	2	2
	Unclassified companies	1	—	—	—	2	—	—	1	4	—	—	1
	Local authorities	1	—	—	—	—	—	1	—	—	—	1	—
	Other[2]	—	—	—	—	4	—	4	1	5	—	4	1
	Total	34	3	6	13	27	2	7	5	61	4	13	18
Local authorities	Persons	12	4	5	9	—	—	1	—	12	4	6	9
	Property companies	—	—	—	—	2	1	1	2	2	1	1	2
	Other companies	—	—	—	—	—	—	1	1	—	—	1	1
	Unclassified companies	—	—	—	—	—	—	—	—	—	—	—	—
	Local authorities	—	—	—	1	1	1	—	2	1	1	—	2
	Other[2]	—	—	—	—	—	1	—	1	—	1	—	1
	Total	12	4	5	10	3	3	3	5	15	7	8	14
Other[2]	Persons	12	7	11	14	3	3	2	2	15	10	13	15
	Property companies	—	1	1	1	5	1	3	7	4	2	4	7
	Other companies	—	—	—	—	—	2	2	2	—	2	2	2
	Unclassified companies	1	—	—	—	2	—	—	2	3	—	—	2
	Local authorities	—	—	—	—	—	2	3	6	—	2	3	6
	Other[2]	5	—	1	—	13	20	16	12	18	20	17	12
	Total	18	8	13	15	22	27	27	31	40	35	40	46
Total	Persons	674	710	833	974	92	53	47	55	766	763	880	1,029
	Property companies	33	18	13	17	100	28	26	35	133	46	39	52
	Other companies	8	5	5	6	89	30	23	29	96	35	27	35
	Unclassified companies	20	9	2	5	35	6	2	10	55	15	4	16
	Local authorities	15	32	17	14	8	20	16	16	23	50	33	30
	Other[2]	10	12	9	5	41	44	43	48	51	57	53	53
	Total	760	786	879	1,021	365	180	156	194	1,125	967	1,035	1,214

Note: Components may not add precisely to totals due to rounding.

Source: Survey data

[1] Including multiple transactions.

[2] Including central government, nationalised industries, banks and insurance companies.

Sales of land and buildings in the United Kingdom: transactions over £15,000

TABLE 5

	£ million				
	England and Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973	6,203	236	6,440	30	6,470
1974	4,677	315	4,990	46	5,036
1975	5,002	321	5,323	47	5,369
1976	6,577	492	7,070	77	7,146
1973 *1*	1,502	37	1,540	6	1,546
2	1,544	55	1,599	8	1,607
3	1,549	55	1,604	8	1,612
4	1,608	89	1,697	8	1,705
1974 *1*	1,219	69	1,288	10·3	1,299
2	1,293	109	1,401	13·3	1,414
3	1,062	57	1,119	11·8	1,131
4	1,103	80	1,182	10·1	1,192
1975 *1*	978	56	1,034	8·9	1,043
2	1,201	81	1,283	10·6	1,293
3	1,363	84	1,446	12·5	1,459
4	1,460	100	1,560	14·4	1,574
1976 *1*	1,341	93	1,434	15·0	1,449
2	1,537	116	1,653	18·6	1,671
3	1,930	130	2,060	21·4	2,081
4	1,770	154	1,924	21·7	1,945
1977 *1*	1,416	122	1,538	23·1	1,562
2	1,680	139	1,819	24·0	1,843
3	2,155	163	2,318	31·1	2,349
1973 *J*	515	12	526	2	528
F	395	12	406	2	408
M	593	14	607	2	609
A	561	18	578	2	580
M	505	18	524	3	526
J	478	20	498	3	501
J	526	17	543	3	546
A	551	22	572	3	575
S	472	16	488	3	491
O	598	25	623	3	626
N	601	32	633	3	636
D	409	31	440	2	442
1974 *J*	492	23	515	3·1	518
F	333	18	351	3·8	355
M	394	28	422	3·3	426
A	525	65	590	4·0	594
M	493	25	518	4·2	522
J	275	19	293	5·1	298
1974 *J*	359	19	378	5·0	383
cont. *A*	377	18	395	4·3	399
S	326	20	347	2·5	349
O	412	29	442	3·8	447
N	371	23	395	3·7	398
D	317	27	344	2·7	347
1975 *J*	355	18	373	2·5	376
F	310	20	330	2·7	332
M	313	18	331	3·7	335
A	409	25	435	3·8	439
M	371	30	402	3·1	405
J	420	26	446	3·8	450
J	457	27	484	4·4	488
A	435	30	465	3·1	468
S	471	27	498	5·1	503
O	561	34	594	4·8	599
N	440	32	472	4·7	477
D	459	34	493	5·0	498
1976 *J*	469	28	497	6·2	503
F	387	29	416	4·4	421
M	485	36	521	4·5	525
A	558	35	592	5·3	598
M	457	36	493	5·5	499
J	522	45	566	7·9	574
J	590	46	636	5·6	642
A	585	44	629	7·7	637
S	755	39	794	8·1	802
O	681	43	724	6·3	730
N	547	53	601	8·1	609
D	540	58	597	7·4	605
1977 *J*	490	35	525	8·2	533
F	436	47	482	7·7	490
M	490	41	531	7·2	539
A	542	41	583	6·6	589
M	581	48	630	8·2	638
J	557	49	607	9·2	616
J	649	52	701	8·6	709
A	753	53	806	10·4	816
S	753	59	812	12·1	824

Source: Stamp duty data

Note: Components may not add precisely to totals due to rounding.

Sales of land and buildings in England and Wales: analysis of large cases (£100,000 and over) by standard economic region

TABLE 6

£ million

Standard economic region	Quarter 4, 1976				Quarter 1, 1977			
	Residential[1]	Land[1]	Commercial	All properties[3]	Residential[1]	Land[2]	Commercial	All properties[3]
North	[3]	3·6	3·1	6·7	[3]	2·7	3·6	6·3
Yorkshire and Humberside		8·0	9·0	17·1		11·3	6·5	17·8
East Midlands		6·9	13·3	20·2		17·3	5·7	23·1
East Anglia		6·9	4·5	11·4		6·0	2·8	8·7
South East[4]	12·0	36·8	61·5	110·2	5·1	37·5	40·2	82·9
Greater London	14·8	6·6	150·7	172·2	21·4	11·3	121·6	154·2
South West	[3]	13·8	9·0	22·8	[3]	8·0	10·0	17·9
West Midlands	2·1	7·6	16·2	23·8	7·1	8·1	16·8	24·8
North West		5·3	11·1	16·4		6·1	11·9	18·1
Wales		2·6	4·5	7·1		3·0	6·5	9·6
England and Wales	28·9	98·2	282·8	409·9	33·6	111·0	225·5	370·3

Note: Components may not add precisely to totals due to rounding.

Source: Statistics of large cases

[1] Including multiple transactions.
[2] Agricultural land, with or without buildings, and other land without buildings.
[3] To preserve confidentiality, the figures for residential property for all regions other than Greater London and the rest of the South East have been combined and have been excluded from the figures for 'All properties' in those regions.
[4] Excluding Greater London.

Sales of land and buildings in England and Wales: analysis of large cases (£100,000 and over) by sector

TABLE 7

£ million

Sector	Quarter 4, 1976				Quarter 1, 1977			
	Residential[1]	Land[2]	Commercial	All properties	Residential[1]	Land[2]	Commercial	All properties
Buyers								
Persons	9·3	19·6	2·5	31·4	7·2	18·9	3·0	29·1
Property companies	10·9	25·8	78·5	115·2	7·6	24·2	52·0	83·7
Other companies	2·0	16·1	49·0	67·1	4·0	25·9	65·7	95·6
Unclassified companies	3·2	2·5	13·3	19·0	5·2	2·3	7·0	14·5
Local authorities	18·7		10·2	28·9	6·5	13·4	8·4	28·3
Central government	2·2		—	2·2	—	4·2		4·2
Nationalised industries	—	2·4		2·4	—	2·7		2·7
Banks	—	5·2	21·4	26·6	1·2	28·8		30·1
Insurance companies	8·6		102·3	110·9	1·9	10·9	60·8	72·4
Others	1·9	4·4		6·3			8·5	9·7
Total	28·9	98·2	282·8	409·9	33·6	111·0	225·5	370·3
Sellers								
Persons	11·3	39·0	8·3	58·6	12·7	31·2	10·2	54·0
Property companies	8·0	23·6	147·3	178·9	14·2	35·4	105·5	155·2
Other companies	19·1		49·1	68·2	2·4	23·6	64·6	90·5
Unclassified companies	—	2·1	7·8	9·9	1·3		5·1	6·4
Local authorities	6·8		3·4	10·2	0·9	6·2	1·6	8·8
Central government	—				1·0	2·8		3·8
Nationalised industries	—	5·7		5·7	—	1·7		1·7
Banks	8·0		10·9	19·0	3·8		6·5	10·3
Insurance companies		42·1		42·1	4·0		27·7	31·7
Others	5·3		12·1	17·4	1·1	4·4	2·3	7·7
Total	28·9	98·2	282·8	409·9	33·6	111·0	225·5	370·3

Source: Statistics of large cases

Note: Where necessary, figures have been combined to preserve confidentiality. Components may not add precisely to totals due to rounding.

[1] Including multiple transactions.

[2] Agricultural land, with or without buildings, and other land without buildings.

CHART 1

Sales of land and buildings in England and Wales

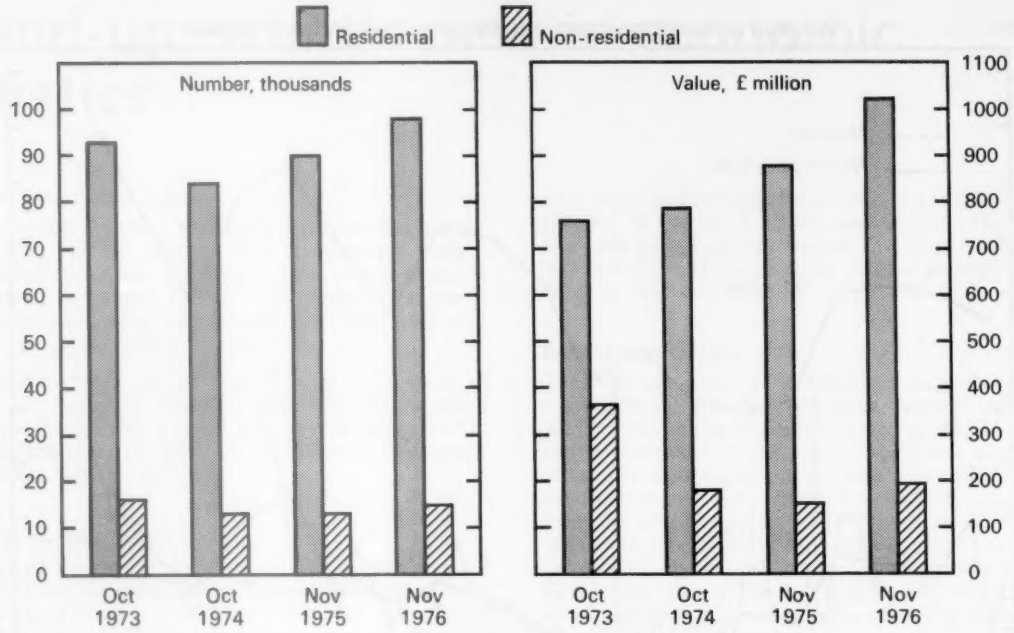

CHART 2 **Net sales and purchases of land and buildings in England and Wales, by sector**

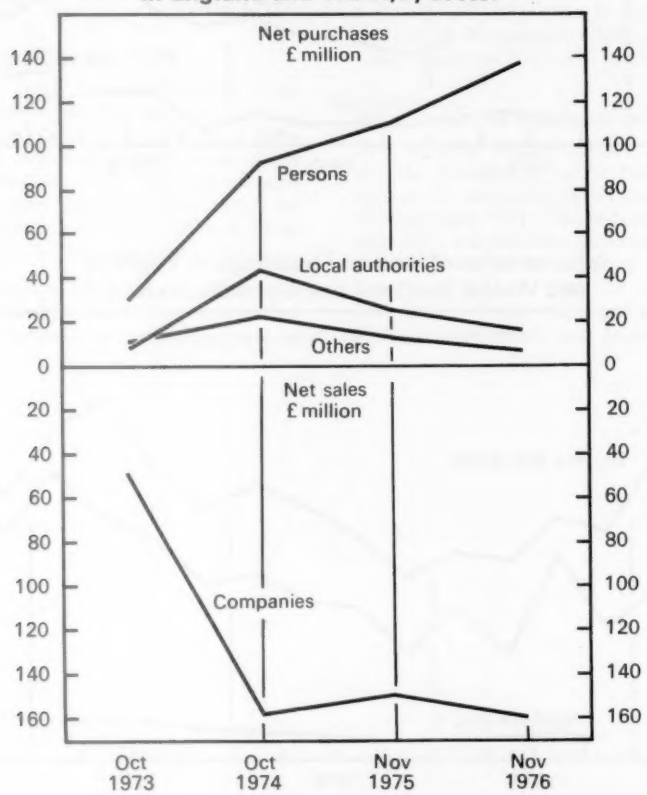

CHART 3

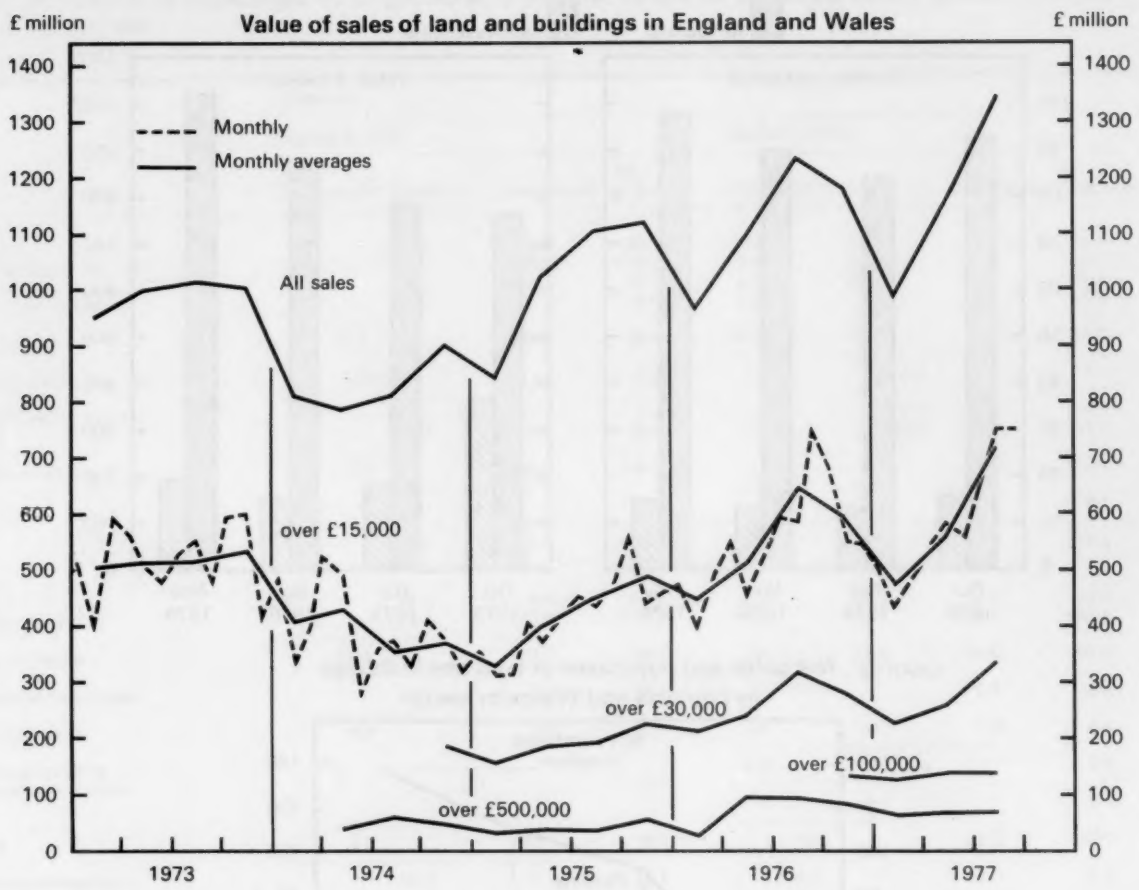

CHART 4

Round-up: what's new in economic statistics

The standardised budget balance

An article in the Treasury Economic Progress Report for February looks at the concept of a standardised budget balance (SBB) based on a constant level of employment not necessarily equivalent to full employment. It explains the problems that arise in calculation of the SBB and assesses its value for policy analysis.

The article is based on the first of what is expected to become a new series of Treasury Working Papers made available to the public. Copies will be available shortly from the Information Division, H M Treasury, Parliament Street, London SW1P 3AG.

Structure of company financing

The second of an annual series of articles on the sources and uses of funds of industrial and commercial companies is given in the February 3 issue of *Trade and Industry*. It complements the article on companies' rate of return on capital employed published in *Trade and Industry* on 16 September 1977, and updates an article which appeared in *Economic Trends* for September 1975.

Changes in the external trade statistics for 1978

The external trade statistics have been reclassified onto Standard International Trade Classification, revision 2 (SITC rev 2), starting with the January trade figures published in February. This change was described in an article in *Trade and Industry*, 21 October 1977. The export and import unit value and volume indices, previously on 1970 = 100 have been re-based onto 1975 = 100 and some small changes have been made to their methodology.

An article in *Trade and Industry*, 10 February 1978 gave a brief description of the nature of these changes, provided a back-run of quarterly and annual data of value and of unit value and volume for (a) the total trade figures on a Balance of Payments (BoP) basis and (b) the major area and commodity groups on an Overseas Trade Statistics (OTS) basis, and outlined the general plans for publishing data on this new basis.

Employment Gazette

The February issue of *Employment Gazette* contains two articles on the Family Expenditure Survey. 'A plain man's guide to the Family Expenditure Survey' discusses the origin and development of the survey, collection of data, choice of sample households and the level of accuracy. 'Quarterly results from the Family Expenditure Survey' analyses results from the second quarter of 1977 back to the beginning of 1976. The article shows that in the second quarter of 1977 households spent nearly £70 per week. This was about £4·60 more than in the first quarter and over £9 per week, or 15 per cent, more than in the second quarter of 1976.

Other articles of statistical interest in this issue include: 'Accidents at work: third quarter 1977'; 'Earnings and hours of manual workers: October 1977'; 'Quarterly estimates of employees in employment: regional analysis'; 'Duration of unemployment and age of unemployed'; and 'Manpower in the local authorities'.

Retail sales and instalment credit business of retailers

The monthly index numbers of retail sales and the series for the instalment credit business of retailers have been rebased to take account of the final results of the Census of Distribution 1971. The indices of the volume of retail sales also now incorporate improved price deflators which have resulted in a lower estimate of the volume of retail sales based on 1971 = 100 for recent periods. Revised series and details of the rebasing exercises are in the 10 February 1977 issue of *Trade and Industry*, pages 318–321.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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	Page	Source	Further statistics
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Value	5,46		
Volume index	44		
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Chapter headings are as follows:

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National income and expenditure. An article containing quarterly figures is published every January, April, July and October

UK balance of payments. An article showing quarterly figures is published every March, June, September and December

Cyclical indicators for the UK economy. An article showing individual indicators is published every February, May, August and November

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	The effect of changes in household composition on the distribution of income

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